Daily Report

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FBIS-EEU-94-251 *30 December 1994*

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Berisha Responds to Reporters' Questions

95P20193A Tirana RILINDJA DEMOKRATIKE in Albanian 15 Nov 94 pp 1, 2

[Article "prepared" by Dukagjin Hata: "News Conference by President of the Republic Sali Berisha"]

[FBIS Translated Excerpt] In the presence of the Albanian and foreign press and mass media, President of the Republic Sali Berisha gave a news conference featuring political analyses after the announcement of the results of the 6 November referendum on the draft constitution. [passage omitted] Afterwards, President Berisha answered questions from the newsmen.

[Pellumb Bataj] What do you think about the demand that the new constitutional commission not be established on the basis of the political forces in parliament but rather on the basis of the results of the referendum? What changes should be in the new constitution, compared with the one that was not approved on 6 November?

[Berisha] Parliament will approve the constitutional commission. This is not and has never been the competency of the president. I think it is the democractic duty and obligation of all individuals to respect verdicts, respect the laws. While the people voted "no" on the constitution, they did not vote "no" on parliament because the people were not called upon to vote for parliament. They were called upon to vote for the constitution. Therefore, there is no legal basis for the linking of these two factors does.

I would think that, in the constitutional commission, we would have all the parliamentary parties, our best specialists, who would be elected by consensus by the political forces.

You will have to get the answer to your second question from the constitutional commission. Personally, I have paid close attention to the evaluations of foreign constitutional experts and the evaluations of our specialists. As for the form of government, I agree completely that one of the 15 models should be chosen, and I would vote for any one of them.

The constitutional court has been stronger in constitutional provisions than what was stipulated in the draft constitution. This happened because it was thought that by making this court responsible for the constitution and for human rights, it would better defend the citizen. International constitutional law experts said the opposite. They said that it might appear that the citizens were better protected but that they might not be protected as they should be, because there is no doubt that the most independent juridical institution is the constitutional court, especially since it has the legal right to interpret the constitution.

In the countries that are in the process of building democracy, a strong constitutional court is an extraordinarily important institution. Also, I would take into consideration certain comments of the Council of Europe on the Charter on Human Rights, in which there are some contradictions that should be resolved. There might be other problems. I prefer to leave these matters to the experts on the commission to resolve. I do not envisage any substantial changes. The form of government does not constitute a substantial change. This constitution has been evaluated by all the experts as a constitution for a parliamentary democracy, but there are other very good forms that may be taken into consideration.

[Aleksander Furxhi, BBC] There have been strong reactions from the opposition in regard to the president's powers under the draft constitution. Do you think the "no" vote is against you personally or against the government at all levels?

[Berisha] I do not think it is a personal problem. My total commitment has been, is, and will continue to be to the constitution. This commitment comes from the great desire the people have to have this constitution. The people want this constitution. All of us come from a society that did not like its constitution because the constitution of the time of the communist dictatorship said that the Albanian Workers Party had a monopoly on the government. In other words, that constitution contained the laws of our spiritual, material, political and general misfortune.

At the present time, I think it is extraordinarily important that the Albanians want the constitution.

I am encouraged that 42 percent voted in favor of the constitution because they wanted the constitution. There was no compulsion. The individual is free. I am convinced that, in another referendum, the figure of 42 percent will be higher, because the increasing love and respect for the constitution is an extraordinarily important issue for the future of democracy.

[Hamdi Jupe, ZERI I POPULLIT] Mr. President, if no consensus is reached by all the political forces on a draft constitution, will you accept the possibility of an early dissolution of parliament? Why are you still insisting on a referendum and why aren't you looking at the possibility of the approval of the constitution in parliament?

[Berisha] The thought of abandoning the referendum cannot be conceived of. I have the confidence of the people behind me. Let us take, for example, the French nation. You know that in France, the country where the EC was founded, the Maastricht Treaty was approved by several hundred thousand votes and, on the whole, those in power and the opposition sought its approval. Let me say that if the French nation were to say "no" to Maastricht, French political forces would not say "now we will approve it by means of parliament", thereby depriving the French nation of its voice. No, they would go back to the referendum process. Therefore, national referendums must be repeated. You cannot avoid them.

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If the political forces do not reach a consensus, as I have said and I am repeating, the obsession with early elections is an operative obsession for certain elements that want to achieve power as quickly as possible or under any condition. But elections will not be considered as long as parliament can approve its legal procedure and the reform can continue. Therefore, it would be a very serious mistake for the political forces to think that they can use the referendum to bring about elections. No Gentlemen, parliament will continue its work. Only when this parliament loses its majority and cannot function any more can such a thing [early elections] occur. The political forces in the country that might try to use the referendum for political ambitions would do well to try to give the country a constitution.

[Blendi Fejziu, ALEANCA] What do you think about the proposal of the opposition parties for the approval of the constitution before 28 January, the date on which the Council of Europe will be meeting? You just said that the campaign for the referendum was one of the most cultured. Could you comment on the fact that meetings of the opposition forces were often broken up by the forces of law and order?

[Berisha] I am absolutely opposed to and will always be opposed to any type of action aimed at breaking up meetings of any political force. I think all those who have observed and followed this campaign came to the conclusion that these violations were not characteristic of the campaign.

I believe the forces of law and order are to be congratulated for this campaign, which took place without any incidents.

As for the second question, I suggested that parliament authorize the existing commission to tabulate the comments in a spirit of consensus, in regard to those models about which they were expressed. All in all, the referendum is unavoidable, it must be organized, and this would be a sign of good will, so that Albania would have a constitution as soon as possible.

[Antoneta Malja, Radio Tirana] The vote on the constitution expresses the same dissatisfaction with certain elements of the governing process. If you are of this opinion, what do you think is necessary to bring about an improvement?

[Berisha] There is much room for improvement, not only in the local government but also in the central government, in all institutions. Therefore, as I said, a protest vote will not fall on deaf ears. It will have its echo and will be taken into consideration.

[Xhevdet Shehu, Voice of America] Mr. President, the results of the 6 November referendum have created a new political situation in Albania. Do you think that a consensus or compromise between the two major political forces would be the way out of this situation?

[Berisha] In a democracy, participation and not exclusion is the rule. The broadest possible consensus must be achieved. The constitution is a major, non-partisan issue; it is a national issue.

[Zamira Koleci, Albanian Radio-Television] Among other things, the people have said "no" to corruption. Some people think corruption is linked to local government. What is your opinion?

[Berisha] There are two realities: There is corruption and it must be combatted. Unfortunately, it is found in countries with consolidated institutions. However, there is also an exaggeration in regard to this matter. Let us be realistic about this because, from the aspect of psychology, people who cannot do their job think corruption is a basic factor. Corruption is combatted actively through the consolidation of institutions and the application of laws that detect and prevent this corruption. However, must there be a very serious and strong commitment in this direction? This is absolutely necessary.

[Merita Dhimgjoka, ASSOCIATED PRESS] What do you think about the recent opinions of the Social-Democratic Party and the Republican Party in regard to the approval of the draft constitution?

[Berisha] I would prefer not to make many comments on procedures that pertain to the commission and to others. I am of the opinion that the referendum is unavoidable. It seems to me that it is essential.

[Namik Ajazi, TELENORBA] In your opinion, what percentage of the "no" votes referred to the draft constitution?

[Berisha] It is hard for me to determine the percentages regarding the "no" votes: what percentage of the people voted that way because they were not convinced that this was the constitution they needed, what percentage voted as a protest against the reform, etc. In any case, I think these things should be taken into consideration. I stand firmly behind the analysis I made.

The referendum is completely legal; it is the best way to approve the constitution. Referendums are not fiery, passionate votes. They are always level-headed votes.

[Carlo Bolina, GAZETA SHQIPTARE] Mr. President, you are the guarantor of democratic institutions. What measures will you take to improve dialogue between parties? Second, if there is a second referendum, will you participate again in the campaign for it?

[Berisha] I invited the heads of the parliamentary parties to come here. I will try, once again, to contribute to bringing about cooperation among them. I will encourage the Democratic Party to accept these suggestions that, it seems to me, are very strong points for a consensus.

I will always take part in the process of finding a variant constitution for a parliamentary democracy. I have not participated and will not participate in a partisan

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manner, but I have been determined and am determined to explain the articles of the constitution. Let me say again, candidly, that if the moral aspect is taken into consideration, I do not consider that the campaign has been lost when 42 percent voted "yes" and I am confident that they were in favor of the constitution. Next time, more will be in favor of it; the majority of Albanians will be in favor of it.

The important thing is that we are aiming for a genuine democracy, which we will build, build beautifully. We will lay the foundation for a genuine democracy and then our country will advance as it should.

[Briseida Mema, AFP] Mr. President, how would you comment on Athens' attitudes before and after the referendum? Second, in light of the fact that the removal of the arms embargo by the United States is at the center of international public opinion, what is Albania's opinion in regard to this, and do you think the lifting of this embargo could lead to an escalation of the conflict in the region?

[Berisha] The comments [of Athens] have had and still have a response. Albania is a democratic country, an open and transparent democratic state. We aim and will continue to aim to have one of the best constitutions. Anyone who wants to can make comparisons with us and with our draft. We are open. We have invited the CSCE and the Council of Europe to present their evaluations.

In regard to the removal of the embargo, in its policy, democratic Albania has always been opposed to the arms embargo. This must be accompanied by appropriate measures to prevent the expansion of the conflict and to ensure that the war is not further aggravated.

[Llazar Parangoni, ALTERNATIVA SD] Mr. President, in your opinion, why didn't the Constitutional Court rule on the demand of the Social-Democratic Party that the referendum be declared illegal?

[Berisha] It is normal for people to present their evaluations and opinions of everything. I do not think that I should issue any judgments about the courts. But I would like to say that I do not know of any case in constitutional law and theory in which a constitutional court has denounced a referendum.

This is a well-known fact. The practice of France and other Western countries are constants in this regard.

Thus, if the sovereign people make a judgment, I can say that no institution can judge it.

[Benet Koleka, Reuter] Please excuse me if I return to the question of my colleague Dhimigjoka on the future procedure for holding a referendum. If I am not mistaken, the Law on Referendums makes it possible for you to call for a new referendum. In order to hold a referendum, as you said, level-headedly, which perhaps was not the case in the past, what would be your objections to the idea of having the parliamentary commission compose a draft, which the parliament would approve by consensus, by agreement, and which would then be ratified by the approval of the Albanian masses—which Albania needs after its emergence from a period of darkness?

[Berisha] I would like to explain that I personally am not the one who is calling for a referendum. The procedure is as follows: The president has the right to propose a referendum. The decision on a referendum is the exclusive right of the Albanian parliament. After parliament makes a decision on the referendum, the president executes the formal act of setting a date for it. Therefore he carries out the decision of parliament.

[Benet Koleka] What were the objections of the Council of Venice?

[Berisha] The Council of Venice has objected to the requirement that the heads of the religious communities reside in the country for 20 years. I personally think this is an excessively long time—but of course I was not a member of the commission. My greatest interest was in the Charter of Human Rights because I am convinced that the spirit, the brain of the constitution is the Charter on Human Rights.

There are countries that are presidential republics and are democracies and countries that are parliamentary republics and are democracies. There are countries that are constitutional monarchies and are democracies. But, for me, the Charter on Human Rights is the decisive factor.

As for the separation of powers, it is important to choose a model that will be integral; you cannot take the judiciary from one model, the president from another, the parliament from another, etc.

[Astrit Patozi, RILINDJA] Mr. President, you mentioned changes. Should we interpret these to be physical or conceptual changes?

[Berisha] Changes are changes and they are always complex. It is important that the changes aim at and support the progress of reform in all its aspects. This is connected with the further consolidation of democracy in Albania.

Head of Social-Democratic Group Resigns

95P20206A Tirana RILINDJA DEMOKRATIKE in Albanian 17 Nov 94 p 1

[Unattributed article: "Chairman of Social-Democratic Party Parliamentary Group Teodor Laco Resigns—Statement on a Conflict of Opinions with the Majority of the Members of the Group"]

[FBIS Translated Text] Dear Mr. Chairman, Dear Colleagues: I am making this statement to you to inform you that I have resigned from my position as chairman of the parliamentary group of the Social-Democratic Party of

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Albania. The reason is that I have a conflict of opinions with the majority of the members of the group in regard to issues and positions I consider to be matters of principle. Under these circumstances, I believe it is my moral duty to relinquish this position so that, in accordance with the rules of democracy, the majority will have full opportunity to express their opinions and positions through a new group chairman. Let me add that my decision has nothing to do with the referendum [on the draft constitution], because I announced my resignation at the meeting of the board of directors on 14 October.

On this occasion, let me assure you that I will continue to have the enthusiasm and desire to express my opinions on the laws that will be discussed. I know, with a clear conscience, that I have a moral right to speak at this high tribunal of representatives of the people, and I will use this right in the best interests of the nation and of democracy.

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Klaus on 1994, Chechnya, French Hijacking

LD2912195694 Prague Radiozurnal Radio Network in Czech 1718 GMT 29 Dec 94

[Interview with Czech Prime Minister Vlaclav Klaus by correspondent Lucie Weissova; place and date not given—recorded]

[FBIS Translated Excerpt] [Weissova] Prime Minister, today's Czech Radio interview is the last of this year. Perhaps this would be a suitable opportunity to assess the past 365 days. How do you evaluate the year 1994?

[Klaus] When you ask me in such a serious way, it is difficult and I do not know where to start. However, I think—and I hope this feeling is shared by most of our citizens—that in 1994 we finally had a more or less normal year. That means a year without revolutionary changes in our lives, a more or less standard year. Although many people object to certain things, I think that, upon reflection, such an assessment of the year is correct. Furthermore, I hope that next year will bring a definite confirmation of this trend. [passage omitted]

[Weissova] Before our conversation today you mentioned an anniversary that has remained somewhat in the background.

[Klaus] Today is a rather interesting anniversary. I am very curious whether anyone besides me notices it. Today it is four years or 48 months since the last devaluation of our koruna, and that is a totally unique thing and quite exceptional in the world. For 48 months we have had a completely stable currency exchange rate. I wonder how many countries in the world could boast of something like that? This provides great certainty for all of us and, in particular, for our businesses. Let us hope, therefore, that this trend will continue and that, on 29 December 1995, we will be saying that it is not 48 months but 60.

[Weissova] Let us now go back to contemporary events. We now have Christmas behind us. Most of us spent it in the comfort of the family circle, and we heard only distant news from parts of the world we may not even be able to find on the map and where people did not have such good fortune. I speak in particular of Chechnya. What do you think about the Russian invasion of this part of the Russian Federation?

[Klaus] It is absurd. Quite simply, it shows an inability to agree. I always say that, if we had not had endless negotiations about all sorts of things, including the division of our federation, our relations also could have been much more tense and unsettled. I believe it is the politician's duty to sit at the negotiating table for as long as it takes to find a solution. I do not believe that all of the possibilities were explored in Chechnya.

[Weissova] Another event that created hell for several dozen people at Christmas was the hijacking of a French airliner in Algiers. Islamic fundamentalists were responsible, fanatics who put their ideals before human lives. The question occurs to me in this context: Do you think fundamentalism is a threat also in the Czech Republic? Naturally, it need not be Islamic fundamentalism.

[Klaus] I think Islamic fundamentalism is certainly not a large-scale phenomenon in our country, nor does it threaten to become one. I also do not consider the Czech Republic to be first in line for something like that to happen. However, when it comes to fundamentalism of various kinds, such as a very one-sided view of the world, regarding as enemies all those who see the world differently, demands for easy, highly trivialized solutions to extremely difficult problems, we do have a few fundamentalists of that kind around us. I believe we have to explain again and again what our reality is in all its dimensions so as to know what belongs where, which fragment of the mosaic belongs in which place, so as not to be mixed up and confused. That confusion leads to solutions that have tragic consequences, as was the case recently in Marseille. That was a nasty Christmas gift for the whole world. [passage omitted]

Klaus Discusses Economic Successes, Concerns

AU2912184194 Prague HOSPODARSKE NOVINY in Czech 23 Dec 94 pp 1, 11

[Interview with Prime Minister Vaclav Klaus by Olga Skalkova and Martin Frydl; place and date not given: "Everything and Nothing Concerned the Government This Year"]

[FBIS Translated Text] [HOSPODARSKE NOVINY] In parliament recently, you reviewed not only this year but also the entire period since 1989. Some people are criticizing you for concentrating mostly on the successes and, in essence, for glossing over the negative aspects. Why?

[Klaus] The opposition would not be the opposition if it did not find fault, but, on the whole, this does not bother me; this is just the way it is. The intensity of the reaction in the mass media could bother me, and I could discuss whether it was balanced or not. A conceptual misunderstanding arose in the evaluation of my address. I think that, five years after the Velvet Revolution, I do not differ so much from the opposition in my assessment of genuine developments in the Czech Republic. The issue does not involve what they say in the first sentence they utter when they get a chance to appear on television. If we were to sit around the table, our assessments would probably not be all that different. There is one conceptual discrepancy here, however. A debate is being conducted on the positives versus the negatives concerning, on the one hand, specific things and, on the other, tendencies. If we do not state what we are talking about, it is difficult to evaluate my address meaningfully. I was speaking primarily about tendencies—that is, about aggregate quantities—without in any way suggesting that something worse or better than the average is hidden

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within this tendency. The opposition talks about specific things and sees a number of negative phenomena. Even I, in my most optimistic speech or assessment, would not say that only things to which one would attach a positive sign are always happening everywhere and for everyone. Therefore, I think it is necessary to speak about this in a conceptual style and to differentiate between tendencies and individual things. Our critics have probably not noticed that we have become a different society and that each process is no longer politicized or decided upon at a central level. The overwhelming majority of issues are now decided upon on a completely different level, on the everyday individual activity of individual people.

The criticism of individual details is, in essence, criticism of the huge transfer of issues from the public to the private sphere.

[HOSPODARSKE NOVINY] You did say in your parliamentary address, however, that you are aware of sensitive areas. What has concerned you most this year?

[Klaus] To assess, as a citizen, the various individual things I do not like and that give me no cause for celebration is one thing. The things that concerned me most, as prime minister, are something else. These are two infinitesimally different things. As a citizen, I think that, for example, a major negative aspect is the loss of peace of mind for parents concerned about their 16-year-old daughters walking home through the city in the middle of the night. This is something we have lost, and I could say that it is the price we have to pay for something else. However, the idea that there could exist a unilateral systemic measure that would sort out this issue is incorrect.

[HOSPODARSKE NOVINY] And what about when you look back on this year as the head of the Cabinet?

[Klaus] The overwhelming majority of the problems facing the people of this country are not the government's problems. Let us make this clear, let us state it squarely, and let us define precisely what the issues for and tasks of the government are and what the issues for and tasks of the government simply are not. The attempt to constantly deal with things indiscriminately is the source of the tension that exists in our country. And now, to what concerned the government this year. Ask me something specific. I would have to say everything and nothing, if you understand me.

[HOSPODARSKE NOVINY] You emphasize often that we are now in the posttransformation period; the economy is, evidently, at the beginning of recovery. At the same time, however, opinions are being expressed that Czech economic life has some bottlenecks and that certain systemic measures are necessary for a more substantial recovery.

[Klaus] I must say that I have no inkling about the kind of measures. The economy has indeed reached the stage of posttransformation recovery, which we had anticipated. The current stage is undergoing absolutely natural development. I do not think there are any further systemic measures that could lead to a fundamental change. The problems today are different; they are standard for every economic recovery. We are in an economy that is not homogeneous; at times it has a dual nature. It follows from this that it has a number of narrower spots that could lead to economic tension in any recovery. Tension in a liberalized economy is not manifested as it was under socialism in lines in front of stores and in the suspension of production because there are no subdeliveries, but it can be manifested in something else—in pressure on prices. Undoubtedly, we are witnessing something like this. Our long and medium-term plans for gradually extinguishing inflation, which have a cyclical character, may come into conflict with the short-term movements associated with recovery. I see a problem in this, and it is an issue to which we must pay attention.

I believe, however, that macroeconomic policy is acquitting itself rationally. It has gone completely unnoticed that we have just approved a sixth balanced state budget. Therefore, in my opinion, fiscal policy will not play the role of tightening the string on the prices bow. The monetary policy of the Czech National Bank [CNB] is also more cautious, so I do not feel that the state could have provided any impulses for overheating the economy. However, reality is such that we do not live in a completely elastic economy from the aggregate point of view, and the prices issue may be a slight inconvenience.

[HOSPODARSKE NOVINY] CNB Governor J. Tosovsky has indicated in this context that it is, perhaps, time for the government to reassess its economic policy, that the central bank, in essence, has exhausted the instruments with which it can counter certain phenomena.

[Klaus] If we are talking about monetary policy, we are talking in aggregate quantities. In keeping with this, on the part of the government, only a balanced or unbalanced state budget stands in opposition to monetary policy. The idea that the CNB should be concerned that its monetary policy is not sufficient to hold back inflation and that it is necessary to formulate a considerably surplus budget is not, I think, realistic. In no way can the government do this, and it is not being taken into consideration at all. For some time, we have differed repeatedly and slightly with the central bank in the issue of the danger of an excessive increase in the money supply. The bank takes a rather stricter and more nervous view of this. We view the refinement of the influx of foreign capital as being slightly less pressing. I discussed this issue a few days ago with Jeffrey Sachs. I think that his view is very similar to mine. So, in this sense, I do not see that there is a fundamental possibility of reassessing our country's economic policy. I repeat, in this sense.

[HOSPODARSKE NOVINY] You have admitted that inflation could swerve temporarily from its declining

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trend next year. Do you agree that this will be one of the main issues next year? The Czech economy will, in fact, for the first time, fall into a standard situation of economic growth times inflation, or into the classic cycle that occurs in advanced countries.

[Klaus] For this, it is necessary to plot the anticipated contour of the aggregate supply curve. The debate we are holding is only and exclusively about where we are on this curve. If we could be sure that we are at point 1, this would be reason for us to begin to slow down rapidly and with all our strength. If we felt that we are at point 2, it would not be so dramatic. The CNB subconsciously believes that we are close to point 1; the opposition even believes that we are at point 3 and, therefore, that we can "creep" upwards quite rapidly.

[HOSPODARSKE NOVINY] Nevertheless, you yourself have said that we are not yet a standard economy, that there are certain nonhomogeneous factors here. For example, the CNB complains about the continuing monopolization, as one of the main stimulants of price increases, in certain branches of the economy—for example, in food processing.

[Klaus] I do not agree that there are nonstandard things here in this sense. We have no more monopolized branches than other states, and I believe that the issue of monopolies is terribly exaggerated in our country. In the first third of this century, the main topic for explaining certain microeconomic and macroeconomic difficulties of economies throughout the world was the impact of monopolies. It seemed that the road toward explaining many economic problems led this way. Today, this idea has been forgotten. So, I do not see the monopolized branches as the main obstacle. Of course, the issue of wages bothers me. I think that this is one of the factors that could be a nuisance in the economy, and more on the cost side than the demand side. That is, I would be more afraid of what we call wage or cost inflation. I see a certain acceleration in the trend here, and, therefore, I am absolutely convinced that a mild and, in my opinion, sensible form of wage regulation should by all accounts be maintained next year.

[HOSPODARSKE NOVINY] Do you think, then, that employers are also concerned about rising costs and will, therefore, agree with the government in maintaining wage regulation?

[Klaus] Whether this or that employer who feels that he is below the long—term average wage level and whose employees, therefore, are upset with him will welcome this, I cannot say. I am speaking as an economist who monitors the movements of the basic economic quantities and who knows that there is no scope in this economy for a more rapid rise in wages. The most recent figures state that, during the first 10 months of the year, real wages in the Czech economy grew by 6 percent. This is some three or four times the 100-year average for the growth of real wages in the United States. I also believe that we have not succeeded in explaining to the public, let alone to our social partners and the opposition, that the only relevant criterion for measuring the movement of wages is their growth in time and not a comparison with a world untouched by 50 years of communism. It is also impossible to compare wages with those in 1989. If you are a top sportsman who can leap 8 meters in the long jump and you suffer an injury, you do not jump for a year, but you start to train again and achieve a length of 7.20 to 7.40 meters. You cannot make a comparison other than the fact that you have improved by 20 centimeters in three months. The idea that you could now begin to leap 8.0 or 8.40 meters is simply nonsense.

[HOSPODARSKE NOVINY] Cost inflation means that employers are forced to increase wages. Do you think that this danger arises, first and foremost, because of a shortage of labor or, perhaps, because the social partners play too strong a role?

[Klaus] I believe in the basic economic foundations, which assert themselves whether we like it or not, and I think that wage movements in our country today are influenced more by basic relations on the labor market than by pressure from the trade union organizations. They can exaggerate something, give a little push forward, but the basic relations on the labor market are dominant. The labor market's problem is its nonhomogeneity. This, of course, means that the 3.1-percent unemployment, as a macro figure, says little about the level of unemployment in individual areas and in individual types of professions.

We are very often at zero there, and this very situation affects the level of wages in the appropriate sectors of the market. This tendency is spreading throughout the economy because of the phenomenon called wage absorption. I am not calling for a rise in the level of unemployment. I am calling for homogeneity on the labor market.

[HOSPODARSKE NOVINY] If the government were able to tell that the labor market is nonhomogeneous and, therefore, introduced wage regulation, how would it recognize that it can be abolished?

[Klaus] First, I would say that we will never have a 100-percent homogeneous labor market. The level of homogeneity on the labor market defines something that is called the natural level of unemployment for this or that country. The more homogeneous the labor market is, the lower the natural level of unemployment. When we feel that the movement of wages will not come up against the ceiling we have fixed and that it is clearly below it, we will be able to eliminate wage regulation, just as recently we were able to abolish the regulation of gas prices by getting rid of the maximum price. There, we simply got the impression that there was no reason for an increase in gas prices.

[HOSPODARSKE NOVINY] As we are talking about the labor market, we come to its low mobility and to

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apartments and rents. Why do you advocate regulated rents until the year 2000? Is this really so necessary?

[Klaus] First, I do not agree that there is a lack of mobility on the labor market. During the past few years, one-third of citizens have changed their employment; this is not a blocked labor market. An economic quantity that I would like to see discussed is called the level of fluctuation, or the number of changes of occupation per number of employees. This involves values that are not at all small. If you were to put forward the theory that the level of mobility on the labor market is, to a certain extent, associated with the degree of mobility in the housing market, I would agree.

[HOSPODARSKE NOVINY] Is this not a reason for liberalizing rents?

[Klaus] The issue of rent and its regulation is extremely oversimplified and is worthy of a separate discussion. Perhaps just a few postulations then. I think that the level of imbalance on the housing market is being assessed absolutely irrationally. When I say irrationally, I mean that it is being said that current rent is infinitely far from a balanced price. In my opinion, such a claim is a gross economic error. I will explain it by citing a single example. One day, you have the feeling of absolute exhaustion, of complete inability to cope, and that things are piling up; you have the feeling that it will take days or weeks to deal with them. Or, you have the feeling of a massive level of imbalance. I had this feeling yesterday when the government had 32 points on its agenda. We sat and discussed them until 1700 hours, and I was called upon 20 times during the day to go and sign the things that were piling up. The government concluded, and, within two hours, I left with the feeling that I had caught up with absolutely everything that was necessary because, when you are under absolute pressure, the factual disparity is far smaller than it seems. If I use standard economic reasoning, all the considerations motivated by the attempt to defend rent increases are formulated on the basis of the point of view of one side of the market—supply. Those who defend the supply side, without taking the demand curve into consideration, tell you only their own view. In a certain extreme case, it could happen that we would find ourselves in the situation depicted in Graph 3 [not reproduced here]—supply and demand do not intersect. Economic discipline, however, teaches us that the two blades of the scissors determine the price—that is, supply together with demand. Therefore, I think that, given the existence of a certain demand curve—I do not want to forecast what it looks like—the balanced economic price is far closer to the current cost of rent than those people who talk about a tenfold increase in rent think.

[HOSPODARSKE NOVINY] Why not demonstrate this more and relax rents?

[Klaus] There are two arguments against this. First, we are unable to offer individual protection, by means of social allowances, to the group of citizens that would be affected by this unequivocal step. If we were able to create such a targeted social system, I would relax rents immediately. We are coming closer to this in the new system for social allowances, which we are now discussing, and in relation to the minimum subsistence level. When we formulate this, I could imagine deregulating rents. But, please, let us not trivialize this issue.

The second reason this concerns me is that I do not know if the pendulum or released spring effect would set in. We are doing something with our new formula for calculating rent that I would remotely call—and compare to—the movement of prices in jelly. In the fall of 1990, I said with regard to price liberalization that I would like these prices not to be in a vacuum but, rather, in jelly—so that this prices jelly channels and makes possible their movement in the same direction. Our formula for calculating new rent is an attempt at making jelly. Only those who do not understand these associations shout that this is thin jelly or that it is a too-gooey jelly. I am simply anxious to make sure that this primary relaxing step does not drive us to an unrealistic point that will cause a major social shock, which will be complicated to deal with.

A third factor I would add to this is that, in the economy, demand for one commodity is, in this or that context, demand for a different commodity. The moment I have to spend 10 times more on rent, I am causing an unreal shock in the economy. I am not talking about a social shock now, but about the fact that, when a large number of people begin, hypothetically, to spend 10 times more on rent, this sum will not be spent on our economy's other products. If someone does not take into consideration what would happen to the hundreds of companies for whose products demand will decline fundamentally, this is a baleful failure to think through the situation.

[HOSPODARSKE NOVINY] One of the topics for next year will obviously also be the development of our economic relations with Slovakia, especially within the framework of the customs union. How do you view its future?

[Klaus] There is nothing to say about the customs union with Slovakia except that, naturally, we have a general interest in maintaining it and that our liberal economy favors the maximum number possible of free trade zones with anyone in the world. We favor the maximum number of liberalization steps, and, for me, the customs union is nothing other than another liberalization step between the two economies. In this sense, I would calmly establish customs unions with other countries, so why abolish the customs union I already have with someone?

[HOSPODARSKE NOVINY] As long as, of course, equal relations for mutual access to markets prevail within this customs union....

[Klaus] This is the subject for a longer debate. In essence, you also have a customs union between Prague and Prachatice, Ostrava and Bruntal, between the major

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conurbation of Prague and the last little village in the back of beyond, and the conditions there are also not balanced. Northern and southern Italy, where the economic levels are completely different, have a customs union; our union with Slovakia is far closer. I would not overestimate all of the possible limitations and restrictions so much. Let us continue to deal with them; let us try to overcome them.

[HOSPODARSKE NOVINY] Next year will also be the last one before 1996 when we should submit our application for membership in the European Union.

[Klaus] I think that all of the essential things have already been said. I would add, perhaps, one thought to this. During the recent meeting of the European Democratic Union, a speech was delivered by the chairman of Spain's right-wing party, Jose Maria Aznar, who is Felipe Gonzales's main rival in the coming parliamentary elections. On the basis of Spanish experiences, he warned us that we must not allow the issue of membership in the European Union to become an obsession, which can be heard from East European speeches, instead of perceiving it as an opportunity. If we subordinate everything to this obsession, we will forfeit many things we should negotiate and prepare properly. I believe that obsession about the European Union is an untraditional word, but it is partially true.

Zieleniec Discusses European Integration

AU2912134994 Prague RUDE PRAVO in Czech 21 Dec pp 1, 4

[Interview with Foreign Minister Josef Zieleniec by Jiri Roskot; place and date not given: "It Is Up to the Czech Republic To Establish Itself in the Community of States and Nations in Which It Wants To Live"]

[FBIS Translated Text] [Roskot] Two concepts clashed at the Conference on Security and Cooperation in Europe (CSCE) summit in Budapest. The U.S. one favors an expansion of NATO; the other, the Russian one, prefers to enhance the significance of the CSCE, which changed its name at the summit to the Organization for Security and Cooperation in Europe (OSCE). How would you say the architecture of security on the continent should look?

[Zieleniec] I personally believe that global and European stability must stand on two constants. The first is undoubtedly given by Russia, as a power of world importance, necessarily playing a corresponding role on the international scene, beginning with the Security Council and ending with the Pan-European organizations of the OSCE type.

On the other hand, the right must be respectful of countries like the Czech Republic, which have existed throughout their history together with the countries that now actually form the kernel of European integration and the Atlantic Alliance, to build on this existence and history also institutionally.

I recognize the unequivocal right of NATO, which is a defense association, to defend what is common to all of these countries, the Western style of life. This defense system is not aimed against anyone. I find it rather cheap to say that an alliance must be against someone. If it is a defense alliance, which offers the experience and certainty that it will not exceed its defense limits, it has the legitimate right to develop according to its own wishes.

[Roskot] In people's minds, the end of the Cold War was subconsciously connected with the end of military pacts—that is, also NATO. Do you believe that such great risks exist in Europe that warrant not only NATO's existence but even its expansion?

[Zieleniec] If we talk about concerns and alertness, it is on a par. Of course, the tension and latent conflict we experienced for 45 years are no longer present in Europe. On the other hand, the endeavors to prevent the Czech Republic, for instance, from joining a defense association with nations with which we are bound by an identical way of life and common values make me cautious.

[Roskot] Do you believe that a NATO expansion could also be motivated by risks stemming from the environment that surrounds Europe?

[Zieleniec] No doubt we feel that the integration processes are connected with a clearer perception of the common European-Atlantic identity. It is a logical conclusion to life becoming ever more global. The events we experience are placed in the global context, and that applies also to the Czech Republic. This emphasizes what we have in common with other European nations rather than what separates us. It is only natural. The European Union is a part of it and also the present view of the North Atlantic Alliance.

[Roskot] At the meeting with Secretary of State Warren Christopher in Brussels on 3 December, you expressed the opinion that Russia would like to fill the void created by the indecisiveness of the alliance in assessing its expansion. What risks do you see on the part of Russia?

[Zieleniec] Russia is a world power. This implies a certain logic of behavior. It is understandable that powers endeavor to establish their spheres of influence. It has been a common element of international politics for centuries. In every country and in a world power, especially, internal developments also have a foreign political behavioral context. Russia is at present experiencing a very complex period in its history. For us and the entire world, it is very important that Russian democracy takes firm root and that the Russian economic reform succeeds.

On the other hand, it is up to us to try to establish the Republic so that we end up in the community of states and nations in which we want to live.

At the same time, Russia is for us an important partner. We have a tradition of contacts with Russia and want to

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build on it, but as a firm part of the Western world, of the Western community. That is now being discussed a bit. The Russian eagle has two heads. One says that one of them looks west, toward Europe, and the other one east toward Asia. It is a symbolic expression of the position of Russia, and it is also connected with roots in traditions, value systems, and foreign political orientation. Therefore, Russia has a special position in Europe, and one cannot perceive it unequivocally as a purely European state.

[Roskot] The West attempted to assuage Russia's concerns over the conceivable expansion of NATO by a certain accommodating attitude regarding the transformation of the CSCE. How do you feel about the proposal of the European Union in Budapest, and how does the Czech Republic intend to approach this organization in the future?

[Zieleniec] I consider the present OSCE an important component of the entire European security architecture precisely because of its universality. It is the only organization in which a transatlantic dialogue is possible and of which Russia is a member. The changes in this organization, however, should be a part of the general changes in the security structure. Therefore, it is not possible to avoid discussing what to do in other areas. These joined vessels, I believe, include the expansion of NATO and the changes you mentioned within the framework of the OSCE.

[Roskot] At the meeting of the North Atlantic Cooperation Council in Brussels on 2 December, you said that the Czech Republic is ready to bear its part of responsibility for common defense politically, militarily, and economically. Has there been an expert analysis made on what economic impact the entry into NATO would have on the Czech economy and, by extension, on the taxpayers?

[Zieleniec] The purpose of common defense is that security is achieved more easily than individually. If we value our own state, democracy, and the freedom in which we live, we can express it by our willingness to defend them with weapon in hand. It means not only the choice but also the related expenditures.

If we relate the quality of the security we attain by joining NATO to the expenditures, simple arithmetic in the sense of "credits" and "debits" shows it a very lucrative transaction, even if we reduce it to such arithmetic, because that is how you phrased the question. Of course, during our talks and discussions regarding the entry into NATO, a much more precise calculation will have to be made.

In the past, the army was only a section of the Soviet machinery that was conceived as an offensive machine. We had more tanks than Germany and France put together. This army was of almost no value for the defense of an independent state. Therefore, our Army must undergo modernization regardless of whether we enter the alliance. I believe that this transformation bears most of the costs.

[Roskot] President Vaclav Havel recently commented in the French daily LIBERATION on the solution to the conflict in Bosnia. Do you believe that a threat of force or its application would lead to the establishment of peace there?

[Zieleniec] I would not say so. It is a war that has very deep roots: historical, civilizational, religious, and other, pertaining to both events of many centuries ago and events that took place 10, 20, or 40 years ago. It is not a war of the international community or NATO. The entire history of this war demonstrates that it cannot be settled from without. It can only be helped along by the imposition of embargoes, humanitarian assistance, and mediation. The peacekeeping forces are there, and, if the UNPROFOR [UN Protection Force] units are at all to fulfill their tasks, they must be protected by NATO air forces. From this point of view, the threat must be convincing. The main responsibility remains, however, with the warring sides. It is up to them.

[Roskot] If entry into the European Union became a topic of elections or of a referendum, what would be a valid reason for citizens' concern regarding the new situation that will surround them by means of entry into the Union, and, vice versa, what advantages would it have for them?

[Zieleniec] I am absolutely convinced that European integration is for the Czech Republic a historic opportunity. The idea of European integration emerged after 1945, above all as a political idea with the objective of overcoming the curse of European wars. The essence of the idea is the conviction that a joint building of Europe will open greater space for common interests and push conflicts aside. Europe tried to draw a lesson, to get Germany particularly in the center of European cooperation, and thereby succeeded. It is also in the historical interest of our state to participate actively in this process.

Joining the European integration undoubtedly means the limitation of sovereignty in many areas. We are implementing, for instance, a certain type of agricultural policy in the Czech Republic. If we join the Union, we will have to accept a different policy, given by a decision made by all, although we can contribute our opinion. The view of the Civic Democratic Party, which I represent, is not identical with the opinion regarding the social issues that recently came forth in the European Union. In the spirit of your question, we could predict where we will be affected adversely and where favorably. We must not forget, however, that the decision not to enter the European Union means to stay out, with all of its consequences. Many things that take place in the Union still affect the states outside. Hence, we would have to conform in many things anyway, and, at the same time, we would have no right to present our opinion.

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Ethnic Hungarians 'Anxious' About New Government

AU2912201594 Prague LIDOVE NOVINY in Czech 20 Dec 94 p 7

[Interview with Bela Bugar, chairman of the Hungarian Christian Democratic Movement, and Miklos Duray, chairman of the ethnic Hungarian minority movement Egyutteles, by Vladimir Misauer in Bratislava; date not given: "The New Government Makes Us Nervous"]

[FBIS Translated Text] The third-strongest grouping in the National Council of the Slovak Republic is the Hungarian coalition. During the talks concerning the formation of the new government, however, this entity was left out. LIDOVE NOVINY asked the Hungarian parties' chairmen, the "moderate" Bela Bugar from the Hungarian Christian Democratic Movement and the "radical" Miklos Duray from Coexistence [Egyutteles], how they feel about the coalition government of the Movement for a Democratic Slovakia [HZDS], the Association of Workers of Slovakia [ZRS], and the Slovak National Party [SNS].

[Misauer] Mr. Bugar, how do you feel about the composition of the new government?

[Bugar] There are many unknown faces, which can be good, but also bad. After the appointment of the government, Meciar offered to extend his hand in cooperation and reconciliation. Unfortunately, I must report that this has not happened yet. We are tolerant; the government must have its 100 days, and then we will evaluate it.

[Misauer] How do you feel about the Slovak National Party being in charge of defense and education?

[Bugar] I would also include the Privatization Ministry taken over by the ZRS. The fact that the SNS and the ZRS took charge of these ministries testifies that the very formation of the government can adversely affect the situation and instill anxiety even within the government.

Regarding education, we have information that the ministry will attempt at any cost to introduce alternative instruction. If that should happen, we will strongly protest.

[Misauer] What specifically would alternative instruction mean?

[Bugar] We know only the material that was prepared by the ministry. This could result in the elimination of the Hungarian minority education in Slovakia. Nevertheless, we do not know its specific form, so we must wait and see.

[Misauer] How about the Defense Ministry?

[Bugar] The fact that the SNS wants to form a home guard and that it keeps talking about the need to defend the Slovak Republic and that anti-Slovak forces prevail here testifies to something. Here too, however, one must wait 100 days. We do not believe it is necessary to form a home guard.

[Misauer] Prime Minister Meciar has repeatedly pointed out that, in the event of a threat of ethnic, societal, or social conflict, it will be necessary to adopt a law on the protection of the Republic. How do you feel about this?

[Bugar] The law on the protection of the Republic is aimed not only against the minorities but also against those Slovaks who think differently. Of course, a law can be adopted, like in Romania, according to which even parliamentary deputies can be punished, but I do not believe it is necessary. It is defined in the Constitution and other laws who and for what he can be punished if he infringes upon the fundamental goals and norms of the Slovak Republic. Let us imagine a situation where I make a true statement that does not exactly suit the HZDS. After all, one cannot identify the interests of the Slovak Republic with the interests of a single government. The governments change but the Slovak Republic remains.

[Misauer] How do you, Mr. Duray, assess the composition of the government?

[Duray] We were happy that the new government was finally appointed. Aside from this fact, however, we do not find anything positive about it. We are rather nervous about the way this government was formed because one of the excluding criteria was that the Hungarian parties should not be in the government. Although the political composition of the government is based on the election results, it is difficult for us to accept. There is little hope for a policy that will at least partially maintain the civic principle in Slovakia. Most of our objections are aimed against the SNS's participation in the government.

[Misauer] How do you feel precisely about the SNS's obtaining Defense and Education?

[Duray] When we see that the post of defense minister is filled by the SNS, we must recall the Association of Slovak Soldiers, the threats of forming a national army, and the home guard. If this party, which had links to such a militant group, is entrusted with the defense of the state, we can safely assume that the Slovak military doctrine will be reassessed, and that may have tremendous effect on not only the state but also the entire region.

Regarding education, errors here may have a long-term effect. It is possible, for instance, to use it to emphasize the negative features of ethnic policy in Slovakia. We are familiar with the proposal to introduce an alternative education system in Slovakia. It originated with the SNS, and it is basically a variant of what the Soviet Union proposed in the 1970's on the Russification of non-Russian schools. There is also a bill on the protection of

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the state language. Its adoption would result in limiting the use of our mother tongue, which, in turn, would threaten our identity.

There is also another alarming fact—that is, the bill on the protection of the Republic that is aimed against the presumed enemy, who can be identified, according to the existing SNS drafts, as the the Hungarians in Slovakia. This law is aimed against all democratic citizens of Slovakia. To summarize, it is only understandable that the new government makes us anxious.

ODS, Christian Democrats Do Well in Elections

95CH0067A Prague PRAGUE POST in English 29 Nov 94 pp 1, 3

[Article by Jan Stojaspal: "Two Parties Claim Victory in Czech Local Elections"]

[FBIS Transcribed Text] Two political parties and a host of independent candidates raised their hands in victory after the results rolled in from the country's second set of local elections since the 1989 revolution.

Candidates competed in two categories: city councils, for central city and village governments, and district councils, which are responsible for smaller sections of the large cities.

Riding on a season of economic successes and a slick advertising blitz, Prime Minister Vaclav Klaus' Civic Democratic Party (ODS) pulled in approximately 28 percent of the vote in the district councils, by far the highest in the country, and 10.9 percent in the city councils. According to preliminary data, the ODS collected 41 percent of the city council vote in Prague—virtually guaranteeing the re-election of Mayor Jan Koukal.

Perhaps the strongest sign of contentment with the current state of affairs was the extremely low voter turnout recorded across the country November 18-19. Before the Prague results were added in, the average turnout in major cities was about 54 percent, and 63.8 percent in smaller towns and villages. Usti nad Labem, north Bohemia, recorded the lowest turnout among the Czech Republic's cities, with just 44.2 percent.

Josef Lux, chairman of Christian Democratic Union-Czech People's Party (KDU-CSL), confidently argued that his party was the winner in the elections because it gained the highest total number of seats. KDU-CSL candidates picked up 12.4 percent of the 60,000 city and village seats nationwide and 8.6 percent of the 2,400 district council posts.

The ODS won a smaller number of overall seats, because its strongest showing was in the district councils—where there are fewer seats, but many voters per seat.

"There can only be one winner," Lux said at a new conference November 21. "Local elections are a competition for seats in local authorities, and in this respect, the KDU-CSL is clearly the winner." He followed his statement with a champagne toast.

The ODS made its most significant gains in big cities, such as Prague, Plzen, Usti nad Labem, Ceske Budejovice and Zlin.

Independent candidates, running on the strength of their local reputations, also made significant gains, taking just under half of city council seats and 13 percent in district councils.

"The structure of parties doesn't reach all the way to the lowest levels," said Ales Kaspar, chairman of the Central Election Committee, explaining the success of independent candidates and their coalitions in villages and small cities. "People, especially in smaller municipalities, prefer to vote for someone they personally know over deciding according to the political affiliation (of the candidate)."

Although it was the third-most successful party, the Communist Party of Bohemia and Moravia (KSCM) fell well short of expectations, after having waged the largest grassroots campaign in the election. With election results of about 13.4 percent in the district councils and 9.2 percent in city councils, the KSCM beat out the Czech Social Democratic Party (CSSD), which followed with about 8 percent in district councils and 2.4 percent in city councils.

"It's a signal that there are too many parties," said Ondrej Turek, spokesman for the Christian Democratic Party (KDS), one of the defeated parties. "Something must be done. (The wide political spectrum) should take on some kind of integration."

A total of 44 political parties competed in the elections. Those parties formed 298 coalitions in various areas of the country.

Anyone expecting major shifts in the Czech Republic's political makeup, however, was disappointed. Taken as a referendum on the Czech Republic's economic and political transformation, the vote seemed to be one of widespread approval.

"I have the feeling that the political development in the Czech Republic so far has been confirmed," commented Prime Minister Klaus.

The low turnout could be seen in a positive or a negative light, said Jonathan Stein, a research affiliate with the Institute for East-West Studies.

"One is that people don't see that local politics make much of a difference," he said. "A second explanation is that people are simply satisfied. They're happy. Things are going pretty well, and they don't really see a need to change them."

Communist Party spokeswoman Vera Zezulkova remarked that the low voter turnout only illustrates the generally increasing public distrust of political parties.

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"All those who didn't vote don't trust any political party," she said, adding that the KSCM hopes to win a share of these undecided voters in the next term.

Inflation To Top Single-Digit Figures

95CH0069A Prague PROGNOSIS WEEKLY in English 23 Nov 94 p 9

[Article by Vladan Sir: "Inflation Exceeds Predicted Levels"]

[FBIS Transcribed Text] As the end of the year approaches and the monthly inflation rate continues to exceed one percent, government officials are starting to downplay their promise to keep 1994 inflation in "single digit figures."

From December of 1993 to this October, statistics show that inflation has already reached 9.2 percent.

In October, the month-to-month inflation rate dropped for the first time since February, reaching 1.3 percent as opposed to 1.8 percent in September. Despite this fact, however, economic ministers can only allow inflation to reach .55 percent per month and still achieve their goal.

First, the government officials slightly altered their estimates at the end of summer, predicting inflation to exceed 10 percent by just a few tenths.

On October 3, the Czech Statistical Office (CSU) predicted the 1994 inflation rate would not rise past 10.3 percent. The Czech news agency CTK reported that prices might spin out of control only if wages increased rapidly and the stream of "hot money" kept flowing in from abroad and flooding the country's economy.

Premier Vaclav Klaus said October 30 on Nova TV that he still thought inflation would be just over 10 percent.

After the latest figures were released, state officials remained unruffled. This time around, however, they prefer not to give estimates and downplay the importance of staying within their previous predictions.

"We expect that inflation will not exceed 10 percent so significantly," said Jarmila Lehnerova, spokeswoman for the CSU.

"If this new trend establishes, then I don't see a reason why this year's inflation should not be just a little higher than 10 percent," Martin Svehla, spokesman for the Czech National Bank (CNB), told MLADA FRONTA DNES.

Ondrej Kvacek of CNB also told PROGNOSIS WEEKLY that overriding the limit would not be significant. He, however, predicted inflation would range from 10.3 to 10.5 percent.

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Gasparovic on Assembly's Relations With Executive

LD2912163994 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 29 Dec 94

[Studio interview with Slovak National Assembly Chairman Ivan Gasparovic by an unidentified correspondent on 29 December; from the "Radiozurnal" program—live or recorded]

[FBIS Translated Excerpt] [Correspondent] [Passage omitted] Slovak National Assembly Chairman Ivan Gasparovic has accepted an invitation from "Radiozurnal" to give an end-of-year assessment today of what has been and, above all, of what will be.

[Gasparovic] [passage omitted]

[Correspondent] Do you think a change in the relationship between the executive and the legislature could be the stabilizing factor that Slovak society needs in the future?

[Gasparovic] From this point of view, I would have to respond immediately with the Constitution. We have a Constitution that we have approved. That Constitution is our basic law, even though it does not solve every individual legal problem or every practical problem. It is a Constitution from which democratic laws can be derived.

We would have to change the Constitution if we wanted to go over to a different system. I think that such a great change to the Constitution is not yet necessary, and the relationship between the executive and parliament is defined by the Constitution. I think that maintaining calm on the political scene—between representatives of government, parliament, and the president—is not a problem, provided everybody adheres to the rights and responsibilities given them by the Constitution. Therefore, I think that there is no need as yet to change this principle. [passage omitted]

[Correspondent] Freedom of information is a fundamental principle in a free democratic state. However, it has been heard in journalistic circles that, beginning next year, there are to be no more live radio and television relays from parliament and that accreditation to parliamentary sessions will be open to only a few chosen journalists. According to press reports, you have also not yet replied to television requests for live relays or recordings of parliamentary sessions. Mr. Chairman, was that just because of a lack of time, or are you really planning changes of this kind?

[Gasparovic] As far as television relays are concerned, television is present from the very beginning of every session, right up to the end. Not by live relay, admittedly, but it is able to record what it likes, when it likes, and for as long as it likes. Therefore, I do not see any problem in this. Nor do I see any problem with live relays, but I have not yet received from television any request like the one you have just read. Television has always made ad hoc requests for specific sessions, so it is not true that there will not be any. There have simply been no requests.

On the other hand, as far as accreditation is concerned, yes, we are considering this system because at almost all of the parliaments I have visited, be they in Europe or overseas, there are accredited journalists who pay the parliament for that accreditation. So, yes, we are considering this, but obviously not in such a way that individual dailies or weeklies would not be able to afford it. There will be no restriction. It will remain the way it has been until now, but we just want to bring in some more discipline.

[Correspondent] How will these journalists or news organizations be selected?

[Gasparovic] There will be no selection of journalists or news organizations. Any organization with an interest will send a journalist, and he will gain accreditation on payment of a certain fee. However, no decision has yet been made on this. [passage omitted]

Duray: Civil Disobedience Possible in South

AU3012113694 Prague DENNI TELEGRAF in Czech 23 Dec 94 p 9

[Unattributed report on interview with Miklos Duray, chairman of the ethnic Hungarian minority Coexistence movement in Slovakia, Egyutteles, originally carried in the 22 December issue of Bratislava UJ SZO; place and date of interview not given: "Duray Does Not Rule Out Civil Disobedience in Southern Slovakia"]

[FBIS Translated Text] "The Meciar Cabinet's first steps suggest that an entirely new policy orientation is being prepared in education and culture in Slovakia. This is precisely the reason for our getting ready to face militant linguistic and nationalist ideas, even by means of civil disobedience," Miklos Duray, chairman of the Coexistence movement [Egyutteles] and deputy of the Slovak parliament, said in yesterday's edition of the Bratislava daily UJ SZO.

According to him, Culture Minister Ivan Hudec's statement on the priorities of his sector regarding the protection of the state language can be understood as the beginning of steps that will eventually lead to a breakdown in the patience of the ethnic Hungarians living in southern Slovakia. Duray believes that it is superfluous to adopt a legal provision to protect the majority language. "If the government coalition agrees to adopt such a provision, there will be nothing for us to do but point this out abroad, just as we did under communism," the deputy said, adding that he has experience of a totalitarian prison environment. Duray also said in the interview for UJ SZO that any legal provision of a militant character aimed against the minorities could result in unrest, on the basis of which there would be no problem arguing for the adoption of a law on the protection of the Republic.

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Entrepreneurs Party Splits; New Union Established

AU2912183994 Bratislava NARODNA OBRODA in Slovak 23 Dec 94 p 2

[TA SR report in the "From Yesterday's Briefings" column: "A Split Into Two Parts"]

[FBIS Translated Text] "The resolution on the party's future political orientation, which was submitted on 26 November at the congress of the Party of Entrepreneurs and Tradesmen of the Slovak Republic (SPZ SR) by its chairman, V. Randa, and the cancellation of the date for the all-republican assembly were the straws that broke the camel's back for the congress members," said SPZ SR First Deputy Chairman P. Prokopovic. For this reason, the chairmen of nine district councils (Hummene, Spisska Nova Ves, Michalovce, Vranov nad Toplou, Poprad, Trebisov, Svidnik, and Liptovsky Mikulas) held an extraordinary meeting in Vranov nad Toplou on 12 December. They adopted a declaration on the party's internal political situation and expressed no confidence in Chairman V. Randa. Prokopovic emphasized that Randa did not accept the recommendation to submit his resignation, but, on the contrary and at variance with the party's articles, recalled the first deputy chairman, the deputy chairman, and the chairmen of 14 district councils. Prokopovic said that, on the basis of these facts, a further eight district councils had, as of yesterday, left the SPZ SR. This represents altogether more than 75 percent of the party's membership base. It is founding a new political entity—the Union of Tradesmen, Entrepreneurs, and Farmers [Unia zivnostnikov, podnikatelov, a rolnikov] (UZPR). The Union will cooperate with the Democratic Union and the National Democratic Party.

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Keleti Views Planned Military Forces Reform

AU2912183194 Budapest MAGYAR HIRLAP in Hungarian 28 Dec 94 p 3

[Interview with Defense Minister Gyorgy Keleti by Zoltan Gaal; place and date not given: "It Can Be Solved by a Quarter of the People"]

[FBIS Translated Text] [Gaal] You started to work on reforming the military forces as soon as you took office. Does this mean reforming the efforts of the previous governmental cycle or are you going to change the Army that was left over from the Warsaw Pact?

[Keleti] The reform clearly means the final dismantling of the the Army as linked to the Warsaw Pact. Many decisions that would have been needed to do this were not made in the previous four years. The costs did not force the ministry's previous leadership to make the changes to the extent that we are. Compared to 1990, the real value of our budget has decreased by almost 60 percent. In addition to this, in the past four years, the Army has used up almost all its reserves. We cannot again use up these reserves; in fact, it is left to us to replenish them. Under these conditions, making changes is unavoidable.

[Gaal] In the past weeks, a security policy report was drawn up that can serve as a basis for the military forces reform. You intend to speak in Parliament behind closed doors in connection with this. What proposals are you planning to make to parliament?

[Keleti] It would be hazardous to implement the military forces reform without a security policy analysis of the region. For example, we can only implement the planned large-scale reduction of the number of conscripted soldiers next year if the region's security political circumstances permit this. My speech to parliament will consist of three sections. The first one is the already mentioned security policy assessment. In this, we attempted to draw up an objective assessment by comparing the views of a number of independent civilian organizations with the views of our chiefs of staff. The second section would be a report on the Army's current situation and, in the third, we would present our proposals for future steps on the basis of the first two sections. As an example, I can mention that we have to ensure the country's air defense by all means and it is justified to keep the military technological equipment necessary for this force in operation. However, many alternatives can be considered regarding the life and working circumstances of the regular soldiers or scheduling the various phases of military technology modernization. These issues require political decisions; however, parliament cannot be expected to make such responsible decisions without being aware of the necessary background information.

[Gaal] Is it a heretic thought to suggest that you revise the services that operated at the time of the Warsaw Pact, the radar surveillance, the patrol performed by air defense missiles and fighter planes, and the permanent alert state of many thousands of soldiers?

[Keleeti] This depends on when we can buy a fundamentally new system. It will be necessary to replace our 20-25 year old equipment. We would indeed only need a quarter of the soldiers for the equipment, and they would only use a fraction of the energy to perform the same tasks.

[Gaal] What role can the Hungarian military industry, which has been pushed to the periphery for many years, have in the developments of the coming years?

[Keleti] We would by all means rely on the domestic manufacturers and suppliers. However, it has to be clearly seen that this Army is too small for a serious military industrial production capacity. It cannot be its sole market. It would only make sense to think in terms of some foreign cooperation. For this reason, these enterprises must perform market research and sell some of their products to armies beyond the border.

[Gaal] Can the East European countries and Russia be excluded from future developments?

[Keleti] Mostly they can. The reason is that the experience of the past years shows that the supply of spare parts is uncertain. It is well known what a big need these equipment have for spare parts. We are not in a position to allow the necessary deliveries to be delayed due to domestic problems in the manufacturing countries. Therefore, Western technology will definitely be decisive which is also important due to the need for compatibility with NATO. At the same time, we hope that the Hungarian Army will be able to receive much of the repayments of the Russian state debt. For example, the delivery of Russian armored transport vehicles has been suggested as a form of repayment.

[Gaal] A renowned Hungarian military expert has said that significant changes that might even affect the basic defense principles will be needed in the future in determining the Army's tasks. Instead of a war between armies, they should be prepared and trained for replacing energy coming in on cables of pipelines that have been closed or removed, for placing the refugees, or for fighting against organized crime.

[Keleti] The notion of security has considerably changed in recent times. It no longer means military security alone. Environmental protection, the country's economic supplies, and energy supplies are indeed part of it. My parliamentary speech is being prepared with this in mind. We have to be able to decide what the biggest danger is. On the basis of experiences and projections, the chance of a war between regular troops of states has been reduced to a minimum in this region. However, the danger of such events known as "below the war threshold" has increased. All these indeed require special handling.

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Gal on HSP Demand for Interior Ministry Post

LD2912122994 Budapest Kossuth Radio Network in Hungarian 0545 GMT 29 Dec 94

[FBIS Translated Excerpt] The National Assembly, in effect, completed its work for this year when it adopted the 1995 budget earlier this week. I have asked Zoltan Gal, chairman of the parliament, about the work of the legislature since the government took office. [passage omitted]

[Begin recording] [Gal] What I would like to happen in the next six months, under any circumstances, is to have political debates on issues of public interest. It would be a good thing. I have in mind subjects such as our joining the EU [European Union] or the public safety situation in the country. [passage omitted]

[Announcer] [Passage omitted] Recently you said that the Hungarian Socialist Party [HSP] is demanding the post of state secretary at the Ministry of Interior for itself. You said this knowing that the coalition partner [Alliance of Free Democrats, SZDSZ] does not wish to give this post to the Socialists. Even before that you also said that the SZDSZ coalition partner criticized the HSP more frequently than vice versa. [passage omitted]

[Gal] [Passage omitted] I did not say that I was presenting a demand. What is at issue—and this is how it was raised at the Coalition Coordination Council—is that it is worthwhile, on the basis of the experiences of the past six months, to review the entire government structure, to keep analyzing the relationship between the coalition partners. Related to this, the point was raised that it is not certain whether the summer agreement, in which the sides divided the ministries and the posts, should be unchangeable, shall we say, for the next four years. I think, that neither party sees the ministries which it was given then as its inalienable property in which no change can take place.

[Announcer] Would your party change coalition agreements so soon, even after six months?

[Gal] I do not think that it is excessively fast, should the change take place at all. After all, it is a matter of bargains and coordination. But I do not think that six months is an excessively short or long time.

[Announcer] Should one say that you are dissatisfied with the position at the Ministry of Interior, with the activities of the interior minister so far?

[Gal] The fact that we are dissatisfied is not the issue here. What is at issue here is that, in view of the lessons we have learned so far, both sides look at the proportions which have developed, whether they are good or not, on the basis of experience about their functioning.

This question has arisen not only with respect to the Ministry of Interior but other ministries too. Therefore, I do not know why this issue has created such a storm, the very fact that it has been raised. My only explanation is that some people are still very strongly convinced that the SZDSZ fulfills a kind of inspector's role in the coalition, that it, so to speak, keeps in check the Socialist Party because these people are suspect, after all. It is in this vein that the idea of a socialist possibly becoming state secretary at the Ministry of the Interior evokes such a hysterical protest in some people. [end recording]

Army Official Views Expanded Links With NATO

AU2912183894 Budapest UJ MAGYARORSZAG in Hungarian 28 Dec 94 pp 1,5

[Interview with Major General Janos Urban, Army flight inspector, by Maria Rozgics; place and date not given: "Change of Generations at Air Defense"]

[FBIS Translated Excerpt] [passage omitted]

Lack of Money, Security

[Rozgics] Does joining NATO's Partnership for Peace Program mean any changes for you?

[Urban] Naturally, air defense is also involved in some of the tasks without this being laid down in the documents. We are expanding our system of links with the NATO countries. We have also made progress in the area of general Hungarian flying. Our use of the IFF-program—the friend or foe recognition system—also meant a change in this direction. It is to our satisfaction that our efforts also have a place in the peace partnership programs. The future plans are being outlined now. It is unfortunate that the resources will be the only limit in 1995 and even in 1996.

[Rozgics] Do the financial problems endanger security?

[Urban] We are now getting hit hard by the budget restrictions that were started in the second half of the 1980's. However, it depends on many factors whether this is to the detriment of security.

It Cannot Be Done Without Languages

[Rozgics] Under such conditions, to what extent will the Hungarian Army, and military flying in particular, be suitable for joining NATO?

[Urban] We have to be able to identify with NATO in our way of thinking. Our understanding is fundamentally different, we have different definitions and interconnections. It is very important also for our regular soldiers to know a Western language at least on a basic level. In military flying, it is essential to have fluent English. When we join NATO, it will be desirable for a NATO air defense leader to maintain contact with a similar level Hungarian air defense leader, and for officers who have similar rights and responsibilities to hold talks. Some kind of compatibility is needed between the armies and standardization is part of this which is essential for cooperation. These changes do not mainly affect the material sphere. [passage omitted]

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Telecommunications Infrastructure Viewed

BR2812100994 Maidenhead TELEFACTS in English Dec 94 pp 8-16

[Article by Patricia Dewar Striplin: "Country Profile: Hungary"]

[FBIS Transcribed Excerpt] In December 1993, MATAV Rt., formerly known as the Hungarian Telecommunications Company (HTC), PTT, or Magyar Posta, became the first of the East and Central European PTTs to partially privatize. A $875 million investment gave the Ameritech-Deutsche Telekom consortium a 30.29 percent interest in the company. MATAV realized profits of HUF1.6 billion (Hungarian forint) on 1993 sales of HUF67.5 billion.

As Hungary's largest privatization effort to date, the government experienced a setback in contining the MATAV sell off when foreign shareholders blocked plans to sell additional shares. Other countries considering PTT privatization and the opening of markets to competition should guage their business strategies against the Hungarian experience. Foreign investment, regulatory law, and new competition are quickening the pace of technology introduction. [passage omitted]

The 1993 partial privatization of the Hungarian public telecommunications operator, MATAV, gave the Ameritech and Deutsche Telekom consortium a 30.29 percent interest for its $875 million investment. The deal allocated the MagyarCon consortium 50 percent of the MATAV operating committee and the critical tie-breaking vote. Prior to privatization the government had ordered the then Hungarian Telecommunications Company (HTC) and the Ministry of Industry to develop a long-term plan for the national telecommunications infrastructure. The Ten-Year Development Plan (1990-2000) set ambitious targets including building 3 million fully automated and digital main lines, and reaching a telephone density of 16.4 (per 100 population) equal to West Europe. The technological difficulties of fulfilling this task were viewed as small in comparison with the problem of financing this expansion. The privatization of HTC provided foreign capital, and in addition guaranteed the investors' continuing capitalization.

Within the long-term plan, is the outline of the Three-Year Investment Program, which comprises two projects. The Basic Program, creating a national digital overlay network, was completed in 1993. The digital backbone network connects 54 primary exchanges via 2,700 km of optical cables and approximately 1,800 km of digital microwave transmission. The Complementary or Branch Project is aimed largely at developing voice telephony - local operating licenses were awarded early 1994. [passage omitted]

There are a number of other joint ventures with foreign companies, including Siemens, Ericcson, Northern Telecom, and US West, for equipment manufacture and service provision.

—Siemens Telefongyar, a $41 million investment, is 100 percent owned by Siemens. The Budapest-based company is a major supplier to MATAV of switching and transmission equipment.

—AHT Communications Ltd. is a Budapest-based joint venture founded in mid-1990 to manufacture Alcatel business telephone exchanges. Alcatel owns 96.23 percent, and Comex owns 3.77 percent of the company - whose 1992 sales exceeded $6.1 million.

—Ericsson Technika is a joint venture between Ericsson (Sweden) and the Hungarian company Muszertechnika for the manufacture of telephone exchanges. [passage omitted]

The new Hungarian telecommmunications market consists of three sectors: monopoly, regulated/limited competition, and full competition. While 1993 regulatory changes do not call for exclusivity of the monopoly services noted below, the Ministry has indicated the country is best served by restricting competition for the companies awarded service licenses over a long period. This sector addresses the following:

—The development and operation of the basic network;

—The operation of international and long-distance services;

—Public telephone services (local, trunk, and regional) through regional concessions;

—Public radio broadcasting;

—Television Programming;

—Telex services.

Areas with regulated competition, but requiring a license, include national mobile radio telephone and national paging.

Full competition, with only financial viability prerequisites, apply to the following services:

—Public switched data transmission networks;

—Leased-line resale;

—Value-added services;

—Dedicated network operations;

—Closed-loop networks;

—Adjunct mobile telephone services to the public network;

—Terminal equipment;

—Consulting mobile communications, VSAT services and paging.

The PTT Today

Restructuring of the Hungarian PTT, then known as Magyar Posta, began in 1989 with plans to separate the

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entity's primary functions. Magyar Posta retained control of operations and service provision, but all authoratative and regulatory functions were transferred to the Ministry for Transport, Communications and Water Managment. In 1990, three functionally independent companies were formed:

—Hungarian Telecommunications Company (HTC, known as MATAV Rt.)

—Hungarian Broadcasting Company, also known as Antenna Hungaria PLC;

—Hungarian Post.

First-level regulatory issues became the responsibility of the Postal and Telecommunications Inspectorate, but remained under the guidance of the Ministry. An amendment to the 1964 Telecommunications Bill liberalized the terminals market in 1989 and since 1990 permitted the Ministry to issue licenses to independent companies offering non-wired telecommunications. A limited number of licenses tied to specific service obligations (such as percentage service coverage) and limited competition have been issued for public mobile telephone service and nationwide paging.

Another December 1989 amendment to the 1964 bill enabled the founding of joint ventures and the introduction of foreign capital. In order to ensure that the state does not lose direct control over the role of telecommunicaitons in state administration, the economy, and the state security and defense, the level of foreign stock ownership in MATAV Rt. is restricted to 49 percent. A requirement that MATAV must be present in all telecommunications activities was later modified.

A new telecommunications bill, drafted by the Ministry and passed by parliament in 1992, established the new regulatory and commercial foundations. Regional telecom concessions were defined for future license distribution, and specific telecommunications businesses in which the State may hold a majority stake were named. MATAV, owned 100 percent by the State, progressed toward partial privatization in less than three years. Following the December 1993 invitation to tender to foreign bidders, the Hungarian Government finally chose the MagyarCom consortium over five other bidders as the recipient of 30.29 percent of the newly privatized MATAV. Deutsche Telekom and U.S.-based Ameritech paid $875 million for their shares and agreed to a stringent development timetable. [passage omitted]

Significantly, the MagyarCom consortium's offer for MATAV's initial privatization was not the highest bid. A STET International-Bell Atlantic partnership offered $35 million more, while a France Telecom-US West consortium trailed by a similar amount. Hungarian officials attributed their decision to factors beyond price, including Deutsche Telekom's success in the development of the former East Germany.

MATAV, employing 19,219 people, realized 1993 profits of HUF1.6 billion on 1993 sales of HUF67.5 billion. Telephone traffic increased 19.8 percent between 1992 and 1993 - a total of 30.3 percent since 1992 - an indication of the country's latent and potential demand.

MATAV has increased the number of main telephone lines from 1989 levels of just over 916,000, or around 8.7 lines per 100 population, to 1,497,577 lines or 14.57 lines per 100 population. It exceeded its 1993 installation estimates by 30,000 during 1993, totalling 206,000 new lines. The company is allocating HUF64.5 billion on development through 2002, of which $4.3 billion is to be supplied by the foreign consortium.

In 1989, the Hungarian Telecommunications Company (HTC) registered more tha 650,000 people awaiting telephone service with the average wait at around 12 years. Other estimates placed the region's waiting list closer to 1.2 million. At the Financial Times Conference on World Telecommunications held in London, U.K., in December 1991, then Deputy Secretary of State, Bela Doros admitted that some applications were 25 years old.

Efforts to reduce the wait for telephone service have made significant strides in the last three years. Local service "concession" of franchise licenses were awarded to local and foreign companies in February 1994. Each licensee agreed to attain achievements tied back to improving service levels including installation waiting quotas. Each franchise must attain 15.5 percent annual growth for a six-year period through 1999. The MATAV Group holds a 49 percent share in each of the following telephone service providers: Hernad, Inarcs, Kakucs, Kisber, Mor, Racalmas-Kulcs, Vecses, and Vereseghaz.

MATAV's resarch and development activities for voice, data, and video are carried out by the PKI Telecommunications Institute. Activities encompass product engineering, planning, and technical committee participation within international organizations. Originally founded in 1991 as the Research Station of the Hungarian Post Office, PKI has been operating in its current capacity since 1993.

MATAV's predecessor, HTC, was already a member of various international telecommunicatons organizations, including the ITU, Intersputnik, and COMECON's Postal and Telecommunications Committee. However, MATAV has further expanded its involvement within other international telecommunicatons organizations through new memberships and participation. Eight MATAV executives now serve as chairmen or vice chairmen in various worldwide organizations. Budapest also played host to the 1992 Europa Telecom Conference.

In February 1994, the Hunsat Association (held 50 percent by MATAV), joined the International Telecommunications Satellite Organization (Intelsat) as the Hungarian representative. MATAV is active in the European

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Telecommunications Satellite Organization (Eutelsat) and the European Research and Strategic Studies in Telecommunications (Eurescom). It is a founding member of the European Telecommunications Informatics Services (ETIS) and the European Telecommunications Network Operators Union (ETNO). MATAV also holds joint membership in the European Telecommunications Standards Institute (ETSI).

Developments in Early 1994

In February 1994, the Hungarian Government awarded local service concessions for 25 regional telephone franchises totalling $8.5 billion. The winners committed to estimated capital investments of an additional $220 million through 1997. Small independent telephone companies and investment companies from around the world vied for the franchises and the accompanying longer-term financial opportunities. The franchises may be renewed in 15 years for a additional 12.5 year period. The eight franchises are as follows:

—United Telecom Services (UTS) won six franchises. The consortium represents four Nebraska (U.S.A.) independent telephone companies, partnered with an Israeli and a Swiss firm.

—Digitel 2001, an Israeli company, won two franchises.

—Central Euro Telecom, partnered with Fail Telecom (a Mississippi, U.S.-based independent telco) won two concessions.

—Compagnie Generale des Eaux (CGE), the French water company, secured two franchises.

—JaszCom, a Dutch firm, took one concession.

—KeletNogradCom, with assistance from Hungarian Telephone and Cable Company (HTCC), won one franchise.

—Papatel, partnering with a U.S. company, won one concession.

—MATAV won eight franchises and by default is responsible for two regions in which no franchise was given. Added to the 29 regions it was granted under privatization, MATAV now holds a total of 39 franchises.

MATAV's monopoly on the national backbone network, international long-distance, and its local service franchises last until 2002. The Hungarian Railways (MAV), the Electricity Trust (MVMT), and the Oil and Gas Trust (MOL) are also licensed to resell services from their private networks.

The Telephone Network

Only 2 percent of Hungarian homes currently have telephone service, compared with 35-40 percent of homes in West Europe and 80 percent of homes in the U.S.A.

The Hungarian telephone network has a three-level long-distance structure formed to handle traffic between local networks. On the top level of the network are six tertiary (regional) exchanges, which are connected in a meshed network. The second level is formed by 13 secondary exchanges. On the lowest level are 74 primary (local or district) exchanges. In 1991, Bela Doros said "there were also 1,000 localities in the country where the telephone traffic is handled by manual exchanges and it is limited to between 08.00 and 14.00 hours." Since then, direct-dialing capacity grew by 17.3 percent in 1991 and by 15 percent in 1992. The number of lines served by digital exchanges also increased in 1992 by 16.3 percent. These exchanges operate in a hierarchical star network. The last-choice routes at the lower levels are supplemented by higher-usage direct routes according to traffic requirements. Each high-level transit exchange contains the primary exchange function of its own area. Among the regional exchanges, Budapest has a district role as the main national transit exchange and also as the international gateway exchange.

MATAV is also increasing its public telephones with a significant focus on cardphones. Commonly seen in West Europe, Hungary has increased the number of cardphones from 300 in 1991 to 8,500 by the end of 1993. Payphones experienced only a 13 percent growth between 1992 and 1993 moving to 30,631. Public stations are expected to reach 36,000 in 1996. Calling Card and Hungary Direct services are available to travellers.

In order to reduce the waiting time for telephone service, local service "concession" or franchise licenses were allocated in February 1994. In addition to the demands for 15.5 percent annual growth over the 1994-99 period, each local concession operator has also agreed to improving service levels and waiting time for connection.

MATAV expects to reach installation levels of 90 percent in six months and 98 percent in 12 months by July 1, 1995 in the Budapest districts, II, IV, XII, XV, and in the districts of Budakeszi, Budaors, and Torokbalint. The Istvan exchange area in Budapest actually has no wait for service and has surplus lines. However, company and residential site selection should still consider telephone availability a primary decision factor. Existing demand continues to be compounded by three factors:

—The transition from the centralized, planned economy to the decentralized, market economy;

—The growth of new, small enterprises;

—The presence of foreign investors, who expect the same level of service that they receive in the West, i.e., seamless integration with their international activities.

Hungary as an International Telecommunications Hub

In its 10-Year Development Plan, the government acknowledged the importance of telecommunicatons

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infrastructure to economic development. The strengthening relations between Hungary and the West, together with Western investment, continues to raise the importance of telecommunications linkage. In response, MATAV is developing an agressive international telecommunications supplier strategy, as a network services hub for the region. MATAV's strategy positions Hungary as a transit country reselling capaciity to other international carriers in a fashion similar to Telecom Australia (now known as Telstra) for Oceania and Asia. The international link is but one for the telecommunications leadership position within East and Central Europe. [passage omitted]

Progress towards these goals is seen in achievements such as:

—MATAV's commitment to at least one optical fiber connection to each neighboring country by the end of 1994;

—Recording of the analog and digital microwave network designs;

—A frequency-utilization plan and records management system for the microwave network;

—A study identifying frequency-utilization trends through the year 2000;

—A listing of mobile and fixed radio systems;

—Completion of network specifications for Hungary;

—Completion of the basic technical plans for the transmission plan and the numbering plan;

—Studies on the application and planning of SDH networks;

—Network planning and installation of an SDH system for the Budapest Trunk Network;

—Plans and specificaitons for Common Channel Signaling System Number 7 (CCSS7);

—Marketing studies, technical plans, and installation for Hungary's first ISDN installation to be launched in mid-1995.

Plans call for the installation of:

—Additional digital facilities;

—Intelligent network systems to provide services such as itemized billing, automatic recall, network voice message, selective call monitoring, emergency calling, and personal communications services;

—Access to the SDH and DXC-based international digital system;

—The introduction of new business services, such as international VSAT, satellite leased lines, international voice mail, value-added fax service, telephone cards for worldwide use, and shipping-center services.

Between 1991 and the end of 1993, MATAV's capital expenditure program succeeded in accellerating investments toward entrepreneurial business opportunities and working off gradual arrears of capital expenditures. Three major international fiber-optic projects are furthering MATAV's communication hub role:

—Trans-European Line (TEL), places Budapest as the network hub. Future expansions will link other neighboring countries, Russia, Ukraine, and Slovenia.

—Trans-European Telecommunications Network (TET) is another eastern and central European networking effort for which Budapest is a major hub.

—Metran is an association whose aim is to establish a pan-European fiber-optic telecommunications network.

Other recent international telecommunications achievements include the opening of two Intelsat satellite earth stations in mid-1993 connecting Hungary to the North and South Americas, the Far and Near East, and Australia. The first satellite data-transmission system became operational through a venture between MATAV, Sat-Net LLC, and Hungarian News Agency (MTI).

Data Communications

A data-transmission service was introduced in 1968 through the switched telephone network and as a leased-line service through the telegraph and telephone circuits. The duplex mode at a rate of 200 bps and the semiduplex mode at rates of 600/1,200 bps were originally most commonly used in the switched telephone network, with rates of 2,400 bps on leased lines. Now rates of 2,400 bps are widely used in the switched network, and even rates of 9.6K bps are possible in modernized parts of the network. On leased lines, rates of 2,400 bps and 9.6K bps are mainly used. [passage omitted]

A national high-capacity packet-switched data network, completed in 1993, provides access to provincial exchanges as well as Budapest. As the demand for telex decreased and speed requirements increased, MATAV's focus has changed to implementation of medium to high-speed domestic and international data services.

—The international network projects TEL, TET, and Metran, are fiber-optic based.

—A digital leased-line service was introduced in 1992.

—MATAV's packet-switched data network, Please Ltd., grew from 441 to 802 users in 1992 alone.

—Sat-Net, MATAV's subsidiary, also manages a microwave data distribution network for 64K bps connections within Budapest. [passage omitted]

Hungary currently has four Ku-band VSAT service providers, all of which are positioning Hungary as a hub for East and Central Europe. Gabor David, BankNet's

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Country Director, told the Central European Business Weekly that Hungary holds potential for 2,000 to 4,000 VSAT terminals.

—Hungarian VSAT supplier, BankNet, launched its service in May 1993. With $54 million invested in Hughes technology, BankNet manages 12 Hungarian and eight international networks. Using a 6.1 meter diameter antenna, BankNets customers include Rank Xerox and the Social Security Fund.

—Hungary's largest VSAT supplier, SFMT-Montana, also operates throughout East and Central Europe. In 1993, SFMT purchased 75 percent of the Hungarian telecommunications and computer company, Montana Holdings. Offering high-speed simultaneous voice, data, video, and fax, the company projects a doubling of VSAT terminals served to 300 by January 1995 - with estimates of 500 by mid-1995. Using At&T's Tridon equipment, a HUF500 million investment through 1994 year-end gives SFMT-Montana a Clearlink Hub Station with a 9 meter antenna. This permits use of 1.2 meter terminals. A second antenna of 7.6 meter diameter is planned for 1996. SFMT-Montana is partnered with Professional Telecommunications Network Ltd. for fiber-optic land-based connectivity. Key VSAT clients include the Hungarian State Lottery and the Foreign Ministry.

—MATAV's Sat-Net began offering services in 1992 via a leased hub in Germany. The company has since found an partner in the Japan-based NEC Corp., with plans to use NEC's space telecommunications hub and VSAT terminals. Sat-Net serves almost 250 terminals.

—Hungaro DigiTel is partnered with the well-seasoned Portuguese company, Marconi, Hungaro DigiTel based its first hub in Poland. In 1992, it launched Hungary's first VSAT antenna, a 2.4 meter diameter hub. A new AT&T Tridom hub went into operation in September 1994.

Mobile Communications

Hungary was the first East European country to inaugurate a national cellular network. The country's 1994 introduction of two GSM [Global System for Mobile Communications] digital mobile network licenses compatible with the pan-European mobile network brings the country up to par with its western neighbors' mobile capabilities.

Until 1991, all cellular cntracts were restricted to the 450MHz band. The 900 MHz band was strictly for Warwaw Pact military and defense communications. Now freed up, the 900MHz band is used by GSM licensees, Pannon and WesTel 900. Pannon GSM Rt. is a joint venture between Telecom Finland (14 percent). Telia AB (Sweden) (14 percent), with PTT Telecom (the Netherlands), TeleDenmark, and three Hungarian companies—MOL Rt, Videoton Rt, and Wallis Holding Company—splitting the remainder. The company launched service on March 25, 1994, fulfilling the government requirement of service prior to April 1 1994. Pannon offered the government $45 million for its GSM license. WesTel 900 is a MATAV-U.S. West consortium whose service began on 31 March 1994. WesTel's focus is on "packaged service" offerings for three types of usage: Those who primarily receive calls, normal users, and corporate users. Eurofon 2 and Eurofon 3 packages include call waiting and transfer.

Earlier estimates placing digital mobile cellular systems users at 50,000 by the end of the century grossly underestimated latent demand. The current analog mobile service already exceeds 50,000. Unofficial estimates of GSM users for both licensees is 25,000-30,000 with WesTel leading Pannon. Over 70 percent of the Hungarian population should have GSM coverage by January 1996. WesTel 900 has already signed roaming agreements with its western neighbors.

WesTel Radiotelefon, also known as WesTel 450 NMT, is a joint venture company offering a 450 MHz analog, cellular network. MATAV is the majority shareholder with 51 percent, and foriegn partner US West wons 49 percent through a $13 million investment. The first ammendments to the Telecommunications Bill of 1964, implemented in 1989, accommodated the formation of WesTel Radiotelefon. The company employs 500 people and in mid-1994 served 53,000 customers.

Paging

While local paging services are available in discrete areas, the country's first national paging licenses will begin service in January 1995. As an operator of the European Radio Message System (ERMES) paging network, Euro Call Hungary is owned by SMFT Hungaro and two Hungarian companies, Hungarian Microsystem Telecommunications Ltd. and American Geraurd Ac Sales and Leasing. Their ERMES paging service includes data and text messaging capabiities up to 22,000 characters.

The Future

In May 1994, MATAV's foreign shareholders, Deutsche Telekom and Ameritech, blocked the government's efforts to further privatize the company. Local law requires approval of shareholders with a minimum of 75 percent of capital before a stock listing can proceed. The foreign companies reason that waiting until the results of their $4 billion infrastructure investment becomes evident will command a higher price per share that their initial investment. Had the shares been sold at a lower price, U.S. law would require Ameritech to adjust its balance reflecting a loss - a move that the company was not willing to make.

Although MATAV exects to only break even when 1994 results are tallied, the government's plan highlighted the scheduled autumn stock sale as key in its mass privatizaton program. Even the "risk of overheating" the

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Budapest Stock Exchange - East and Central Europe's least active - with an Autumn 1994 MATAV offering, was not a deterrent. [passage omitted]

March 1994 Law on Police

95CH0042A Budapest MAGYAR KOZLONY in Hungarian No 41, 20 Apr 94 pp 1422-1443

[Law No. 34 of 1994 on the Police, adopted by the National Assembly on 29 March 1994]

[FBIS Translated Text]

Law No. 34 of 1994 on the Police adopted by the National Assembly on 29 March 1994

The National Assembly creates the following law to provide a framework for the establishment of a Police that operates pursuant to requirements established by the Constitution of the Hungarian Republic and by international legal commitments, as well as in a manner consistent with the principles of constitutional statehood.

Chapter I.

THE FUNCTION, ORGANIZATION, LEGAL STATUS, AND DIRECTION OF THE POLICE

The function of the Police

Paragraph 1.

(1) It shall be the function of the Police of the Hungarian Republic (hereinafter: Police) to ensure public safety and to protect the internal order.

(2) Within the overall framework of ensuring public safety and protecting the internal order, and as part of preventing and persecuting crime, performing state administrative functions, and maintaining law and order, as those terms are defined in this law and in decrees duly authorized by law, the Police shall:

(a) exercise general criminal investigative authority and shall prevent and solve crimes;

(b) exercise rules violation authority and shall take part in preventing and exposing violations of rules;

(c) perform alien control functions in conjunction with foreigners' entry, stay, and immigration to Hungary, and with refugee affairs proceedings;

(d) exercise authority relative to the production, sale, and use of certain implements and materials that threaten public safety;

(e) perform traffic policing functions and exercise the related authority;

(f) perform policing functions related to the maintenance of order in public areas;

(g) protect the lives and physical integrity of persons particularly important from the standpoint of the interests of the Hungarian Republic (hereinafter: protected persons), and guard designated facilities;

(h) issue licenses to, and supervise the activities of body guards and property guards, as well as of private investigators, except for organs whose function it is to protect law and order;

(i) perform tasks related to penal enforcement;

(j) perform tasks aiming for the maintenance of order, as such tasks are placed under its jurisdiction in cases of extraordinary or emergency conditions, or, when situations of imminent danger exist; and shall

(k) perform other tasks assigned to the Police.

Paragraph 2.

(1) The Police shall protect against actions that directly threaten or violate life, physical integrity, or the security of property, and shall provide information and aid to those in need. The Police shall respect and protect human dignity, and shall safeguard the rights of human beings.

(2) In the course of performing its functions, the Police shall:

(a) cooperate with state and local government organs, social and business organizations, and with citizens and their communities;

(b) in cases specified in legal provisions, assist state and local government organs in the undisturbed conduct of official proceedings; and shall

(c) support voluntary initiatives by local governmental bodies and by citizen groups to improve public safety.

(3) In performing its functions, the Police shall proceed free of any partisan influence.

(4) Based on international agreements and reciprocity, the Police shall cooperate with foreign and international organs whose functions are to preserve order, and shall take action against international criminal activities. Based on international agreements, Hungarian policemen may exercise police authority abroad, and foreign policemen may exercise police authority within the territory of the Republic of Hungary.

The organization and legal status of the Police

Paragraph 3.

(1) The Police shall be an armed state organ that maintains order by preventing and persecuting crime, and by performing state administrative and enforcement functions. The National Police Command (ORFK), with nationwide jurisdiction, shall be the central organ of the Police.

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(2) Police commands directly subordinated to the ORFK shall be the regional organs of the Police.

(3) District police commands operating as organs of regional police commands, and authorized to perform an independent scope of functions, shall be the local organs of Police.

(4) Police posts may be established within the organizational structures of regional and district police commands. As organizational units within the police structure, police posts shall have no independent functions or independent authority; their establishment and termination shall be subject to the authority of the heads of police commands.

(5) Other police organs not mentioned in Sections (1)-(4) may also be established for the performance of certain tasks. The legal status of such organs shall be determined in legal provisions and directives establishing such organs.

(6) Within the central budget structure, the Police budget shall constitute a separate title within the Ministry of the Interior budget chapter.

The direction of the Police

Paragraph 4.

(1) The Government shall direct the functioning of the Police. The minister of the interior shall convey the government's directions to the Police.

(2) Based on recommendations made by the minister of the interior, the prime minister shall appoint and dismiss the national police chief. The National Assembly committee having jurisdiction examines at a hearing the person recommended for appointment, and determines his fitness for the post.

(3) The minister of the interior shall

(a) represent the Police at sessions of the National Assembly and the Government;

(b) draft, or take part in the drafting of legal provisions related to the operation, functions, and jurisdiction of the Police, and of international agreements and higher level state decisions;

(c) ensure the implementation of tasks established in the interest of public safety and the protection of the internal order;

(d) regulate the activities and operations of the Police by promulgating decrees and through other legal means available for the direction of the state;

(e) maintain relations to enhance international cooperation between police organizations, and the development of the Police; and shall

(f) provide for controls over the Police.

Paragraph 5.

(1) As part of his authority to provide executive direction, the minister of the interior

(a) may designate tasks for the Police, and, in the absence of legal provisions to the contrary, may direct the police to perform police functions, and to implement government decisions regarding public safety and the protection of internal order; and

(b) shall define the activities of a certain organization involved in directing and supervising the Police, act as the employer of the head of that organization, and through that organization, provide for the control of internal crime prevention and the exposure of crimes inside the Police;

(c) direct the financial management of the Police consistent with its budget, and approve development plans for the Police based on recommendations by the national police commander;

(d) define the directions to be taken in police education, training and continued education, as well as in scientific research in the field of law enforcement, and coordinate the related activities;

(e) approve the organizational and operating rules and regulations of the ORFK upon recommendation by the national police commander;

(f) prepare a proposal for submission to the prime minister for the appointment or dismissal of the national police commander, and attach to the proposal a statement containing the position taken by the National Assembly committee having jurisdiction;

(g) prepare proposals for submission to the president of the Republic for the appointment and dismissal of generals;

(h) except for appointing and dismissing the national police commander, exercise the authority of the employer over the national police commander, including the authority to appoint and dismiss deputy national police commanders; and shall

(i) upon recommendation of the national police commander, render decisions regarding the establishment and termination of police commands, district police commands, and of other organs of equal legal status.

(2) As part of his authority to provide executive direction, the minister of the interior shall not issue directives removing cases from under Police authority, or impeding the exercise of Police authority.

(3) Regarding individual cases pending before the Police, the minister of the interior may issue directions only through the national commander of police.

Paragraph 6.

(1) The national police commander shall independently discharge his responsibility of leading the ORFK, and

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shall direct and control the operations and professional activities of police commands in the framework provided by legal provisions, and other legal means available to direct the state.

(2) Under his authority to provide executive direction, the national police commander

(a) may issue national police commander's directives with mandatory force to Police organs; and

(b) shall provide for the appropriate and lawful operation of Police organs, and for the implementation of tasks defined in legal provisions and government directives in the interest of public safety and of protecting the internal order;

(c) provide for the preparation, streamlining and enforcement of organizational and operating rules and regulations, as well as of other internal rules and regulations;

(d) prepare development plans for the Police;

(e) recommend to the minister of the interior the drafting of legal provisions and other legal means for directing the state, which involve the operations and the functional scope of the Police;

(f) recommend to the minister of the interior the establishment and termination of police organs mentioned in Paragraph 3 Sections (2), (3), and (5);

(g) recommend to the minister of the interior the appointment and dismissal of deputy national police commanders;

(h) exercise the authority of the employer with respect to the heads of Police commands, and appoint and dismiss their deputies; and shall

(i) approve the organizational and operating rules and regulations of the various Police commands.

(3) The national police commander shall represent the Police in cases not provided for under Paragraph 4 Section (3) Subsection (a).

Chapter II.

POLICE PERSONNEL

Paragraph 7.

(1) The personnel of the Police may [as published] consist of professional policemen, public officials, and public employees. Rules pertaining to the legal relationship of the professional service, public officials, and public employees are contained in separate laws.

(2) A legal relationship for professional service may be established with any Hungarian citizen with permanent residence in Hungary, who has no criminal record, is capable to act, is fit for armed duty, has a good reputation, and complies with the training, health, and other physical fitness criteria applicable to his service function. Legal provisions may specify additional criteria for the establishment of a legal relationship.

(3) Fitness for police duty may be verified when establishing service relationship and throughout the existence of such relationship.

(4) A policeman shall be entitled to a pension upon completing 25 years of service and after having reached the age of 50, or upon completing 10 years of service and after having reached the age of 55, or if he is not disabled, but his ability to work has decreased by at least 50 percent. These provisions shall not adversely affect the time period established for the calculation of the legal relationship governing service.

(5) A policeman, who becomes vested from the standpoint of pension based on authority other than provided in this law, shall be entitled to age benefits based on the length of legal relationship with the service. The age benefit shall be two years after 10 years of service for men, and eight years of service for women, and one year for both men and women after each additional five years of service. In calculating the length of service, the time spent in intensive or dangerous assignments, and in peacekeeping missions abroad shall be treated pursuant to separate legal provisions.

(6) A police organ may announce a competitive examination for the establishment of service relationships, and for filling various positions. Competitive examinations shall be treated in secret. Announcements for competitive examinations shall contain all essential conditions for appointment, as well as a deadline for submitting applications.

(7) The minister of the interior shall be authorized to summon policemen for the performance of work at the Ministry of the Interior. A policeman may be assigned to serve in any locality, and with other law enforcement, state, or local government organs for the performance of a specific, service-related task. Such assignments may be made for specific periods of time required for the performance of specific tasks, but in no event for a period longer than three months per year. Assignments for periods longer than three months, or for service duty abroad shall be made only if agreed to by the member of the professional service.

(8) Police service positions may be changed into public official or public employee positions, and public official and public employee positions may be changed into police service positions. Separate legal provisions govern the legal relationship of persons whose positions were changed.

(9) A policeman running as a candidate in National Assembly, local government, or mayoral elections shall declare in advance his intent to run to the head of the police organ in which he serves. The service duty relationship of such persons shall cease beginning 60 days prior to election day, until publication of the election results.

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(10) A policeman may hold memberships in professional associations and interest groups related to his profession; he may be an official of such organizations, and shall not suffer disadvantages in his service duty relationship as a result of such memberships or activities. A policeman shall announce to the head of the police organ in which he serves any membership he holds in social organizations not related to his profession, and any new membership, prior to becoming a member. The head of the police organ may prohibit the establishment or maintenance of membership, if such membership cannot be reconciled with the police profession or with the policeman's service duty employment, or if the interests of service assignments are threatened or endangered. Such decisions shall be stated in the form of determinations. Such determinations may be the subjects of complaint to the head of the superior organ. Determinations made by the superior organ based on an examination of complaints may be challenged in court.

(11) A policeman may be represented by the Police and by the affected interest groups pursuant to applicable legal provisions.

(12) During their service duty period and as retirees, policemen and their immediate families shall be entitled to welfare, social service, and charitable care provisions, pursuant to separate legal provisions.

Chapter III.

RELATIONSHIP BETWEEN LOCAL GOVERNMENTS AND THE POLICE

Paragraph 8.

(1) The views of the respective local government representative bodies, or, in Budapest, of the city district representative bodies shall be sought prior to establishing or terminating a district police command or a police post within the jurisdictions of representative bodies.

(2) Prior to appointing the head of a district police command or a police post, the person exercising the appointing authority shall seek the views of local government representative bodies, or, in Budapest, of the city district representative bodies operating within the prospective appointee's police jurisdiction. When appointing police commanders, the views of county (Budapest) legislative bodies shall be sought. Local governments within the area of a police jurisdiction shall be notified when dismissal becomes necessary; such notice shall be given simultaneously with notifying the official to be dismissed.

(3) If a majority of the local governments, or a county (Budapest) local government opposes an appointment, and if the person exercising the appointing authority fails to propose another candidate for appointment, the person exercising the appointing authority shall, in the form of a position paper, inform the local governments within the police jurisdiction of his reason for not naming another candidate for appointment. The justification shall be based on professional grounds.

(4) District police commanders shall report annually in person, or through their representative, to the representative bodies of local governments operating within the jurisdiction of the district police command, concerning the public safety situation in the various settlements, and about actions taken in the interest of public safety, and the related tasks. Police commanders shall file reports once a year with, and at the request of county (Budapest) governments.

(5) If a majority of local governments in a given settlement, or a county (Budapest) government does not accept a report, a new report shall be presented within three months from the date of the first report. In case of repeated rejection of reports, a majority of local governments within the district police command jurisdiction may appeal to the county (Budapest) police commander, and the general meeting of the county (Budapest) government may appeal to the national police commander. The county (Budapest) police commander, or the national police commander, as the case may be, shall conduct a comprehensive investigation extending to issues raised by local governments, and as part of such investigation, shall investigate the sense of responsibility and fitness of the district police commander (police commander). Local governments shall be informed of the outcome of the investigation. The county (Budapest) police commander and/or the national police commander shall take necessary and appropriate action to satisfy the interest of performing public safety tasks, as warranted by the investigation. The action taken may produce organizational, personnel, and/or internal management changes, and may affect the way the service is organized.

(6) In addition to the requirements established in Section (4) above, the Police shall notify local governments if it intends to take police action that affects a broad segment of the populace, if such notice does not jeopardize the success of the planned action.

(7) The representative body of the local government may file a written comment, supported by reasoned argument, regarding a Police decision, action, or failure to act; pursuant to separate legal provisions, Police decisions, actions, and failures to act are not subject to challenge. If the affected police organ disagrees with the comments filed by a local government, it shall forward the same to the superior police organ. The head of the superior police organ shall examine the comments, and shall inform the local government of the results of his examination.

Paragraph 9.

(1) Any local government may enter into contract with the head of the district police command operating within the jurisdiction of the local government particularly in regard to the performance of local public safety tasks, the

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streamlining of Police activities with the activities of local government organs, or the support of establishing, expanding, and developing a police organ within the jurisdiction of the local government. From the standpoint of district police commands, such contracts are subject to prior approval by the head of the police command, if they constitute acceptances of obligations by district police commands. The Police may refuse to enter into contract with local governments if the proposed contract conflicts with legal provisions, if it counteracts action taken by the head of the superior police organ, if the financial and material support for the contractual obligation is not secured, or if the substance of the proposed contract is unfounded from a professional standpoint.

(2) The Police and the representative body of the local government shall mutually exchange information concerning performance on a contract consummated pursuant to Section (1), and on the utilization of means provided. A local government may appeal to the superior police organ if the contracting police organ fails to perform on its obligations.

Paragraph 10.

(1) District police commanders, with respect to counties (Budapest), the police commanders, and the local governments operating within their police jurisdictions may form joint crime prevention and public safety committees—with the involvement of state and social organizations interested in maintaining public safety—to provide social support to, and control over the performance of tasks related to public safety. The chairman and the members of the committee shall be selected jointly for terms coinciding with the term of office of the representative body.

(2) The committee shall establish its own, detailed procedural rules. The expenditures incurred in the course of the committee's operations shall be borne by the Police and the local governments; the proportion of the expenditures to be borne by each party shall be the subject of separate agreement.

(3) The chairman of the committee shall forward the position taken by the crime prevention and public safety committee with respect to the public safety situation and the activities of organs responsible for maintaining public safety, to the head of the police organ mentioned in Section (1), and to the representative body of the local government. If the views of the crime prevention and public safety committee, the head of the police organ, or of the mayor differ, the affected parties may request the head of the superior police organ to state his position. The position stated by the head of the superior police organ shall be forwarded to the crime prevention and public safety committee and to the representative body of the local government, via the head of the police organ involved.

(4) If the representative body of the local government establishes, within its own organizational structure, a committee that deals with public safety matters, the district police commander, or, in the case of the Budapest local government, the police commander shall support the workings of the committee by providing information needed to perform the committee's tasks. Such information shall be provided with due regard to requirements for secrecy and privacy.

Chapter IV.

GENERAL PRINCIPLES AND RULES FOR THE OPERATION OF POLICE

The duty to perform police tasks and to obey instructions

Paragraph 11.

(1) A policeman shall perform the tasks specified in the service assignment pursuant to legal requirements; in due regard to the provisions of this law, he shall obey instructions given by his superiors; and shall protect public safety and the internal order, by risking his life, if necessary.

(2) The internal organization of the Police, the detailed rules of operation, and the chain of command shall be formulated in a way that the individual responsibility of the person issuing an order, and of the person implementing the order can be determined at all times.

Paragraph 12.

(1) In the course of performing his duties, a policeman shall follow the orders of his superior in the chain of command, A policeman shall refuse to implement an order if doing so constitutes a crime.

(2) Except as specified in Section (1), a policeman shall not refuse to follow the order of his superior in the chain of command if the order violates legal provisions; in such cases the policeman shall immediately call the attention of his superior to the illegal character of the order, if such character is recognized by the policeman. If, thereafter, the policeman's superior maintains his order, he shall give the order in writing, if so requested by the person receiving the order. Refusal or failure to provide a written order may be reported to the superior of the person refusing or failing to provide a written order, the exercise of this right, however, shall have no delaying effect on implementing the order.

(3) If a policeman's superior in the chain of command violates legal requirements, the policeman may report such violation directly to the superior officer of his superior in the chain of command, or, if the head of a police organ violates the law, to the superior police organ, or to the organ charged with the responsibility of overseeing the Police. The head of the organ receiving such report shall investigate the alleged violation, and shall inform the person reporting the violation within

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eight days from the date of receipt of the report about the findings produced by the investigation, and the action taken.

(4) No person filing such report shall be disadvantaged for reporting a violations of law; a person may be held responsible, however, for filing an unfounded report.

The duty to act

Paragraph 13.

(1) Proceeding under his own authority, a policeman shall have a duty to act, or a duty to initiate action, if he discovers, or learns of a fact or circumstance that requires police intervention. If action cannot be delayed, this duty exists even if the policeman is off duty, provided that the policeman is in a suitable condition to act when taking action is necessary.

(2) A policeman shall take action in an impartial manner, consistent with legal requirements.

(3) If an object impedes the policeman in taking action, he may remove that object, or may overcome the obstacle in some other way; the Police shall indemnify the person who is innocent with respect to the act that served as the basis for police action, for damages suffered as a result of the police action.

Paragraph 14.

A policeman shall participate in mitigating emergency situations threatening public safety. If mitigating the emergency situation is the function of some other organ, but intervention by that organ can only be accomplished with delay, the policeman shall immediately notify the authority or other organ responsible for mitigating the danger.

Requirement of proportionality

Paragraph 15.

(1) Police action shall not cause a disadvantage that is disproportionate to the legitimate goal of the action.

(2) From among several possible and suitable police actions and means of constraint, the one that produces the least restriction, injury, and damage in the course of action, along with ensuring the effectiveness of the action, shall be chosen.

Requirements applicable to the use of means of constraint

Paragraph 16.

(1) A policeman may use means of constraint only if conditions specified by law exist. The use of means of constraint shall be discontinued as soon as resistance is broken, and if the results of police action can be attained without the use of means of constraint.

(2) Rules for Police use of means of constraint (Chapter IV) shall be established by the minister of the interior. When using means of constraint, consideration shall be given to the protection of health.

(3) A policeman shall not torture, obtain forced confessions, or manifest cruel, inhuman, or humiliating demeanor, and shall refuse orders to that effect. A policeman has a duty to act against anyone manifesting such conduct by preventing such conduct, irrespective of the service assignment, rank, or status of the person manifesting such conduct.

Common principles and rules applicable to police action and the use of means of constraint

Paragraph 17.

(1) In performing its tasks, the Police may restrict rights related to physical integrity, personal freedom, the inviolability of private homes, private secrets, the mails, private data, as well as property, pursuant to law.

(2) In the course of police action, when means of constraint are used, inflicting injury, and the killing of persons shall be avoided whenever possible. Aid shall be provided as soon as possible to persons injured in the course of police action, and policemen shall see to it that if necessary, the injured person receives medical care, and in case of hospitalization, that a persons related to the injured person, or a person maintaining contact with the injured person be notified.

Paragraph 18.

(1) A person in custody shall be given an opportunity to notify his relative or some other person, provided that such notification does not jeopardize the goal of the police action. The Police shall provide the required notice if a person in custody is not in a position to exercise this right. If a person in custody is a minor or is under guardianship, his legal representative or guardian shall promptly be notified.

(2) The Police shall provide for the placement of the person in custody, and for provisions needed to prevent the impairment of his health. Medical care shall be provided to any injured or sick person in custody, or to persons in custody requiring urgent medical care for some other reason.

(3) The rights of a person in custody may be restricted only to an extent to prevent him from escaping or hiding, altering or destroying evidence, or committing another criminal act, or in order to ensure secure custody and the observance of the rules of the detention facility.

Paragraph 19.

(1) Unless otherwise provided by law or international agreement, everyone shall be subject to police action that implements legal requirements, and everyone shall obey directions provided by a policeman. The legality of police action shall not be questioned in the course of

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police action, except if illegality can be established without weighing the merits of the action, and without doubt.

(2) Police action and means of constraint specified in this law may be used if a persons resists a policeman's lawful action.

Paragraph 20.

(1) While taking action, a policeman shall be identified by his uniform and identification badge, or by his service identification papers.

(2) If a policeman does not wear his uniform, he shall, prior to taking police action, verbally convey the fact that he is a policeman, and shall identify himself by presenting his service identification papers, unless doing so jeopardizes the success of the police action.

(3) After completing police action, a policeman shall state his identification badge number and shall present his service identification papers, and shall state his name and duty post to the person subject to police action upon request.

The obligation to keep secrets

Paragraph 21.

A policeman shall keep secrets he acquires. A policeman may be relieved of the duty to maintain a secret based on law or decrees authorized by law; lacking such legal provisions, in case of private secrets, the person who possesses the secret may relieve the policeman of the duty to keep the secret.

The right to bear arms

Paragraph 22.

Policemen shall be authorized to bear arms. Rules pertaining to the carrying and storage of service weapons are provided in separate legal provisions.

The forum system of the Police, as an authority

Paragraph 23.

Unless otherwise provided for in legal provisions, the district police command shall proceed in the first instance, and the police command in the second instance in cases falling within the authority of the Police.

Police duty to provide aid

Paragraph 24.

(1) A policeman shall provide assistance that falls within the scope of his tasks, and shall provide information he can be expected to provide, to anyone requesting such information.

(2) Based on this law, the protection of private interests is within the authority of the Police only if legal protection cannot be obtained otherwise under given circumstances, or if the law is frustrated, or its enforcement is made substantially more difficult without assistance from the police.

(3) Assistance may be denied only on grounds of service duty that cannot be delayed, and in case of a direct threat to life only if providing assistance could directly result in a multiple loss of human lives.

(4) Anyone wishing to enforce his own rights may request a policeman to ask a person to present his identification papers. A policeman shall comply with such requests if the requester provides probable cause evidencing his just interest in identifying the other person, and if the requester presents proof of his own identity. Personal data of the person whose identification is sought shall be given to the requester by the district police command, if the requester is able to credibly prove his just interest in identifying the other person.

(5) Personal data acquired pursuant to Section (4) shall be destroyed, if the requester does not seek release of the acquired data within eight days from the date of requesting identification, or if the requester fails to prove his just interest in identifying the other person.

(6) The person whose identification was sought shall be informed in writing of the release of his data. The notice shall indicate the reasons given by the requester for seeking identification. The requester shall be identified, if the person whose identification was originally sought so requests.

Use of collaborators

Paragraph 25.

Except with respect to determinations made, and actions taken by the Police in its capacity as an authority, the Police may utilize collaborators in the performance of its functions, based on contractual agreements.

The utilization of assistance and means for the performance of police tasks

Paragraph 26.

In order to avert, prevent, or expose the commission of a crime, to capture the offender, and in the interest of public safety the Police may seek and utilize assistance from private persons, legal entities, or unincorporated organizations, and utilize means they posses, provided that the legally established duty of the policeman cannot be discharged otherwise, and unless otherwise provided by law. Such assistance may be declined only if the life, health or physical integrity of the person asked to provide assistance would obviously be threatened, or if the material conditions for providing the requested assistance do not exist.

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(2) Damages directly related to rendering assistance, inflicted by the person rendering assistance shall be regarded as damage caused by the Police.

(3) Except for profits that did not materialize, and losses recoverable from other sources, damages directly related to the rendering of assistance, suffered by the person rendering assistance, as well as necessary out of pocket expenses incurred while rendering assistance shall be paid for or reimbursed by the Police.

Rewards

Paragraph 27.

(1) The Police may publicly announce in advance a reward to be paid to persons for solving crimes enumerated in Paragraph 84 Subsection (j), for the identification of persons who may be suspected of having committed a specific crime, for assistance in capturing an offender in hiding or at large, for assistance in making an investigation to find a missing person successful, or for directly aiding necessary police action.

(2) No reward shall be paid to a person legally obligated to file a complaint or to the offender, and further, to a person who in his earlier testimony has failed to mention a fact or circumstance that was important from the standpoint of the investigation, or has made a false statement.

(3) No reward shall be paid if the Police already possesses the information for which a reward has been posted when the information is being conveyed.

Paragraph 28.

(1) Under conditions specified in separate legal provisions, the Police, in its capacity as an authority, shall issue permits for personal and property protection, and private investigation activities to be conducted by individuals or companies.

(2) Personal and property protection, as well as private investigation activities shall not be pursued, documents certifying that a person is an individual entrepreneur shall not be issued, and companies shall not be registered by the Court of Registry if the activity to be pursued involves personal or property protection or private investigation, unless the person or company holds a permit pursuant to Section (1).

Chapter V.

POLICE ACTIONS

Request for identification

Paragraph 29.

(1) In the course of performing his tasks, a policeman may ask a person whose identity must be established, to present his identification documents. The person asked shall credibly verify his identity. The primary means of verifying one's identity shall be the personal identification card, but any document which credibly verifies the identity of a person shall also be acceptable. A policeman may verify a person's identity based on his familiarity with the person, or on the statement of some other person known to him.

(2) A person refusing to identify himself may be apprehended for purposes of identification; in case of unsuccessful identification, the person may be taken to the police station, as well as finger printed and photographed in order to determine his identity, and further, the external physical marks of the person may be recorded based on recognition and measurements.

(3) The process of identifying a person shall last only as long as it is necessary to determine his identity. The reason for wanting to determine a person's identity shall be communicated to the person after determining his identity, except if such communication presents a threat to public safety.

(4) A policeman may frisk or search the clothing and vehicle of a person asked to identify himself, if this becomes necessary in order to determine the person's identity, or to mitigate probable danger, or based on the suspected commission of a criminal act or rules violation.

Intensified control, frisking a person, search of luggage, and vehicle

Paragraph 30.

(1) In order to capture and arrest a person who has committed a crime, or, in order to avert or prevent an act or event that threatens public safety, the Police may seek the identification of persons entering or present at a public place, or in a designated segment of a public area defined by the head of the police organ.

(2) The Police may search a building, structure, package or vehicle in order to achieve the goal described in Section (1).

(3) In order to avert or prevent illegal acts that jeopardize traffic safety or threaten the security of a function or event, the Police may frisk and search the vehicles of persons entering an area specified by the head of the police organ, may verify compliance with conditions established by the operator, may seize materials and means that threaten public safety, and may prohibit the carrying of such materials or means to the location where the function or event takes place.

(4) On roadways open to the public the Police may remove with due care, or destroy unattended objects that jeopardize public safety, if necessary.

Paragraph 31.

(1) A person subject to Police action, whose personal freedom is being restricted, may be frisked by a

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policeman after advance warning, in order to remove implements suitable for attack or for causing self-inflicted damage.

(2) Except in emergency situations, the frisking must be performed by a person of the same gender as the person frisked. Frisking shall not be performed in a manner resulting in indecent exposure.

Request for information

Paragraph 32.

In the course of performing his tasks, the policeman may ask questions, or request information from anyone, provided that there is substantial ground to believe that the person asked is able to provide information needed for the performance of police tasks. A person may be stopped for the time needed to request information. Unless otherwise provided for by legal provisions, a person requested by the police to provide information shall not refuse to respond by stating facts and dates known to him.

Capture and presentation

Paragraph 33.

(1) A policeman shall capture, and present for further action to the authority having jurisdiction a person

(a) caught in the act of deliberately committing a crime;

(b) subject to an outstanding arrest warrant based on a separate law or an international agreement, or subject to capture based on an all points bulletin;

(c) ordered to be taken into custody or placed under preliminary arrest, or ordered to receive temporary compulsory medical therapy, or whose mental condition was ordered to be observed;

(d) who escaped while being taken into custody or placed under preliminary arrest, or while being deprived of his freedom or being locked up, or who was permitted to leave the place of detention and has not returned to that place, or who removed himself from temporary compulsory medical therapy, from under psychiatric observation, from compulsory medical therapy or from a reformatory; or

(e) whose presentation has been ordered based on specific circumstances described in separate law.

(2) In the interest of public safety, a policeman may present to the authorities or to the organ having jurisdiction a person;

(a) unable to identify himself in a credible manner upon being called upon by a policeman to identify himself, or refusing to identify himself;

(b) possibly suspected for having committed a crime;

(c) from whom it is necessary to take urine sample, blood sample for purposes of performing a blood alcohol test, or other sample, the taking of which does not qualify as surgical intervention, because he is suspected of having committed a crime, or in order to prove a rules violation;

(d) who removes himself from under parental supervision or guardianship, or from under institutional upbringing without permission;

(e) who violates the rules of supportive supervision under the jurisdiction of the Police, as defined in separate law;

(f) who continues violating a rule even after being called upon to cease violating a rule, or against whom a proceeding can be completed immediately, or from whom material evidence must be acquired, or a thing subject to confiscation has to be withheld; or a person

(g) wanted as a missing person.

(3) As a result of presenting a person, the Police may restrict personal freedom for the necessary time period only, not exceeding eight hours. If the objective of the presentation is not attained, the head of the police organ may, on one occasion, extend this time period by four hours. The time period for presentation shall be counted from the beginning of the police action.

(4) At the request of a person presented to the authorities, the Police shall provide a reason for the presentation, and shall issue a certificate concerning the duration of presentation.

Habeas corpus

Paragraph 34.

(1) A policeman shall accompany, or direct a person to a place designated in a writ of habeas corpus. Provisions of Law No. 1 of 1973 on criminal procedure shall be observed when presenting a person pursuant to a writ of habeas corpus issued in the course of a criminal proceeding.

(2) If presentation cannot be accomplished otherwise, the person to be presented may be detained by the Police for the necessary period, but for no longer than 12 hours. The provisions of Paragraph 33 Section (3) shall be observed regarding time limitations on detention.

(3) The person issuing the writ of habeas corpus shall be responsible for the legality of presentation.

Crime prevention control

Paragraph 35.

(1) In order to avert criminal activities, the Police may exercise control over persons released after serving at least two years in prison for the deliberate commission of a crime, or after serving any prison sentence as a repeat offender.

(2) Crime prevention control shall be ordered in the form of a determination. The court shall issue a ruling within

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72 hours from the issuance of the determination, approving or disapproving the determination. An appeal against the court's ruling shall not have a delaying effect on implementing the determination. Crime prevention control shall be performed in a manner that it does not hinder the affected person's adaptation to society, and an effort shall be made not to alert the controlled person's milieu about the fact that he is being controlled.

(3) The control action authorized in Section (1) shall be discontinued one year after the person's release from prison, at the latest.

Police all points bulletin to apprehend a person or to locate an object

Paragraph 36.

(1) The Police may issue an all points bulletin calling for the apprehension of a person in regard to whom substantial grounds exist to believe that he committed a crime, or a person who disappeared, or for the search of an object, and further, for the identification of the corps of a "John Doe."

(2) The Police may request the press, the radio, and the television to publish or carry free of charge public notices in order to locate persons injured and witnesses, and to clarify the facts related to a criminal act.

(3) The name, picture, identification data, the probable place of stay (appearance) of a wanted person, and the reason for wanting to find a person may be publicized based on substantial public interest or deserving private interest, with the permission of the head of the authority conducting a criminal proceeding, or of the head of the police organ ordering to find a missing person.

(4) The Police may, in a manner consistent with the interests of public safety, inform the public—and as part of such information, may release the offender's data to the extent necessary, and as enumerated in Paragraph 79—of the circumstances of a criminal act that disturbed the public peace or some other grave crime, the actions taken solve the crime, and the status of the proceedings.

Security measures

Paragraph 37.

To terminate a dangerous situation in which the policeman, other persons, or property are directly threatened, the policeman shall

(a) take the immediate, steps that cannot be delayed, within his own scope of authority to avert or terminate the dangerous situation;

(b) take action to obtain medical attention of the person who presents threat to him or to another person, and takes part in transporting such person to a health care institution;

(c) take every possible step to prevent suicide;

(d) if safety to life, or the protection of physical integrity so requires, accompany, or provide for the transportation of helpless, unconscious, strongly intoxicated or delirious persons in public areas or in public places to their homes, to sobering stations, or to health care institutions; and may

(e) close off an area and prevent anyone from entering or leaving such area, or may require persons in the closed off area to leave.

Public safety custody

Paragraph 38.

(1) The Police may place into custody for a period of 24 hours a person presented at the police station pursuant to Paragraph 33, if the identity of such person, or his personal interests (a threat to himself or to the public due to intoxication or for some other reason) makes it necessary. The time consumed by presenting such persons shall be considered as part of the period allowed for custody.

(2) The police may place into custody for a period of 72 hours a convict on conditional leave of absence, or a person temporarily released from a reformatory and placed under protective supervision, if the person placed under protective supervision hides from the authorities, or if there is reasonable ground to believe that he would go into hiding.

Actions to be taken in private homes and in locations that do not qualify as public places

Paragraph 39.

(1) A policeman shall not step, or make a forced entry into a private home without being admitted or in the absence of a determination by the authorities, except

(a) if he responds to a call for help, or in order to prevent suicide;

(b) if he prevents or disrupts the commission of a crime, or for the purpose of capturing and presenting to the authorities the person who has committed, or is suspected of having committed a crime;

(c) in order to avert danger to the public, or a direct threat to a person's life or physical integrity, or in order to rescue the subject of such a threat;

(d) to take action relative to an extraordinary or unexplained death;

(e) in implementing a distraint proceeding in which Police participation is mandated pursuant to legal provisions;

(f) to comply with a writ of habeas corpus;

(g) for purposes of crime prevention control (Paragraph 35), to the apartment, residence, or place of stay of the person subject to the control action;

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(h) to present to the authorities a person who continues to violate rules despite a notice to cease the violation;

(i) to secure a person or an establishment (pursuant to Paragraph 46 Section (1) Subsection (c));

(j) if presentation to the authorities becomes necessary for any other reason authorized by law.

(2) The head of the organ ordering the distraint proceeding shall be responsible for the legality of ordering the presence of the policeman.

(3) Except in distraint proceedings, after forced entry in the absence of the occupant, the Police shall inform the occupant of the entry, and shall take all necessary action to protect his property.

(4) A policeman shall stay in a private residence only as long as necessary to perform his task.

Paragraph 40.

Unless otherwise provided for in legal provisions, a policeman, in the course of performing his functions, may enter places that do not qualify as private residences, and may take action while observing the order of the institution as much as possible.

Polygraph test

Paragraph 41.

In criminal proceedings, or in the course of searching for a wanted person based on an all points bulletin, the person involved in the case may also be given a polygraph test, subject to his prior, written concurrence, or, in case of a minor or youth, subject to his legal representative's written concurrence. Polygraph tests shall not be administered to suspects of minor age.

Picture and sound recordings

Paragraph 42.

The Police may record visually and aurally the persons and surroundings involved in a police action, as well as of other circumstances and objects that are significant from the standpoint of the police action. Picture and sound recordings made by the policeman, or some other person at the scene of the event that prompted the action, may be utilized pursuant to legal provisions.

Securing locations

Paragraph 43.

In the course of performing his functions, a policeman shall have authority to prohibit or prevent changing the scene of some crime, rules violation, accident, or other event.

Traffic enforcement action

Paragraph 44.

(1) In performing traffic enforcement functions as defined in this law and in separate legal provisions, a policeman may

(a) direct, limit, or suspend traffic on public roads;

(b) verify the observance of traffic rules and regulations pursuant to legal provisions, the use of vehicles pursuant to rules, the observance of requirements regarding documentation and equipment, the legality of possessing vehicles, the personal identification data of the operators or users of a vehicles, the condition and data of vehicles from the standpoint of traffic safety both on and off the road;

(c) require the driver of a vehicle to take a standard breathalizer test if he becomes suspect of committing a crime or rules violation due to the influence of a substance or the consumption of alcohol adversely affecting his ability to drive, and may require the driver to provide to the health services blood, urine, and other, not surgically obtained samples;

(d) confiscate drivers licenses, car registration certificates, and registration tags on the spot, pursuant to legal provisions;

(e) prohibit a driver from reentering traffic if the condition of the vehicle or the driver endangers the safety of traffic, and prevent a driver from the continued illegal use of a vehicle, by confiscating the keys to a vehicle, otherwise preventing the vehicle from being moved, or by having the vehicle towed away.

(2) In cases and for time periods specified in separate legal provisions, the Police shall revoke registrations and registration tags, and shall restrict the permit to drive.

Paragraph 45.

(1) As part of their functions, the Police and policemen shall be authorized to tow away, or otherwise remove—in a manner specified in separate legal provisions—vehicles parked contrary to rules in public areas, if such vehicles jeopardize traffic safety or the safety of the public. If the owner (operator) of such vehicles cannot be determined, or if the owner (operator) fails to take possession of the towed or removed vehicle despite notice to that effect, and if the cost of storing such vehicle is disproportionately high, the Police may sell the vehicle, or may utilize it in some other way. If the unknown owner of a towed or removed vehicle appears within 60 days from date of sale of the vehicle, he shall be paid the amount realized by the sale, minus storage costs.

(2) If an illegally parked vehicle in a public area does not create a risk of accident, boots may be applied to immobilize the vehicle until the vehicle is towed or until further action is taken. Boots may also be applied to safeguard the vehicle, or if the commission of a crime is suspected.

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(3) Costs of towing and applying boots shall be paid by the owner, operator, or user of the vehicle. The Police shall not be liable for damages caused by theft prevention devices while a vehicle is being towed or while boots are being applied.

Action to secure persons and establishments

Paragraph 46.

(1) To provide security to protected persons (Paragraph 1 Section (2) Subsection (g)), the Police, or a policeman may, in addition to the measures specified in Paragraphs 13 and 30.,

(a) close a route or a public area to traffic, or restrict traffic,

(b) restrict the operations of public institutions, or institutions visited by the public,

(c) based on separate written instructions, enter and stay in private residences for purposes of control, and the observation and securing of locations,

(d) close off areas, and prevent anyone from entering or leaving such areas, and require persons in such areas to leave.

(2) In due regard to international legal obligations and the practice of reciprocity, the Government shall designate protected persons.

(3) In the interest of the security of protected buildings and their occupants, the Police may establish rules for entering and exiting such buildings in agreement with the head of the occupant organ, in addition to the measures provided in Section (1) Subsections (a) and (d).

(4) In the interest of the security of protected persons or establishments, the Police may use technical means to control entry and exit, and may order a person to deposit illegally possessed dangerous objects.

Chapter VI.

MEANS OF CONSTRAINT

Physical constraint

Paragraph 47.

As part of Police action, a policeman may coerce (use physical constraint against) a person to break down his resistance and to make him do something or to make him cease doing something.

Handcuffing

Paragraph 48.

A policeman may handcuff a person he wants to restrict in his freedom, or a person already restricted in his freedom, in order to

(a) prevent him from causing self-inflicted damage;

(b) prevent an attack;

(c) prevent an escape; or to

(d) break down resistance.

The application of chemical means, electrical shock, black jacks, the flat side of a sword, and other means

Paragraph 49.

(1) A policeman may use standard chemical or electrical shock devices, as well as his black jack or the flat side of his sword;

(a) to avert an attack directly endangering his own, or some other persons lives, physical safety or property security; and

(b) to break down resistance to a lawful police action.

(2) A policeman may use standardized rubber bullets or pyrotechnical means, tear gas grenades, nets, stimulating gasses, and water cannons to avert threats to his own or other persons' lives, physical integrity, or property security, or in cases when conditions of use of firearms prevail (Paragraph 54).

Use of police dogs

Paragraph 50.

(1) A policeman may use a leashed or unleashed, muzzled police dog as a means of constraints whenever the conditions for physical constraint prevail (Paragraph 47).

(2) A policeman may use a leashed police dog without muzzles if an illegally gathered crowd cannot be dispersed by using milder means of constraint (Paragraphs 47-49), and if needed to disperse a gathering that presents a grave threat to public safety, or if using leashed, not muzzled police dogs is necessary to overcome active resistance to police action.

(3) A policeman may use an unleashed dog without muzzles to

(a) avert an attack that threatens to inflict grave injury;

(b) capture a person suspected of having committed a grave crime; or to

(c) avert an attack on a person directly threatening his life or physical integrity.

Roadblocks

Paragraph 51.

The Police may order traffic restrictions to capture a criminal; in doing so it may erect roadblocks, while duly observing traffic safety.

Use of firearms

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Paragraph 52.

(1) A policeman shall have the right to use his firearms pursuant to this law, in cases other than just defense and extreme emergency.

(2) Firearms may be used based on a policeman's own decision, or in response to orders. When deployed in closed troop formations, firearms may be used only in response to orders.

Paragraph 53.

(1) Only deliberate shots fired at persons shall be regarded as use of firearms.

(2) If conditions for use of firearms prevail pursuant to this law, a policeman may utilize any object as a weapon. Rules pertaining to firearms shall also be appropriately applied in these cases.

(3) In the context of this law, the delivery of rubber bullets, pyrotechnical means, tear gas grenades, and capturing nets to their targets by firearms or other launching means devised for this purpose, to disperse a crowd or maintain order shall not be regarded as firearms use.

(4) Synthetic missiles designed for different purposes, and not mentioned in Section (3) may be used only if, in due regard to all circumstances of a case, the legitimate goal of the application cannot be achieved with more gentle means of constraint, or if more gentle means of constraint do not produce results. The rules of firearms use shall be appropriately applied to the use of synthetic missiles.

Paragraph 54.

A policeman may use firearms

(a) to avert a threat or attack presenting imminent danger to life;

(b) to avert an attack gravely endangering a person's physical integrity;

(c) to prevent or disrupt a threat to the public, an act of terror, or the hijacking of an aircraft;

(d) to prevent criminal acts using firearms, explosives, or other means suitable to extinguish human lives;

(e) to prevent the unauthorized, forceful acquisition of firearms or explosives;

(f) to avert an armed attack against the functioning of the state or an establishment of outstanding significance from the standpoint of public supplies;

(g) to capture, or prevent the escape of a person intentionally extinguishing a human life;

(h) to capture, or prevent the escape of a person committing crimes against the state (Criminal Code of Laws Chapter X), or against humanity (Criminal Code of Laws Chapter XI);

(i) against a person who, upon being called upon by a policeman, fails to lay down a weapon or some other dangerous means in his possession, and whose conduct suggests that the weapon or other dangerous means would directly be used against a human being;

(j) to prevent the escape, the breaking out by force, or to aid the capture of a person who has been captured, is in custody, or is being detained based on a judge's decision, except if the detained person is a minor;

(k) to avert an attack against the policeman's own life, physical integrity, or personal freedom.

Paragraph 55.

Except in cases involving an attack with weapons, or an armed attack, or an attack in which armed resistance must be overcome, or if weapons must be used against a person in the midst of a crowd (Paragraph 57), firearms shall not be used if

(a) such use endangers the life or physical integrity of a person who does not provide cause for the use of firearms;

(b) the goal of the police action can be achieved by firing a shot at an object or an animal.

Paragraph 56.

(1) The use of firearms shall be preceded in the sequence stated by

(a) calling upon the subject person to obey the police action;

(b) using other means of constraint;

(c) a warning to the effect that the next step would involve the use of firearms;

(d) firing warning shots.

(2) Some or all actions preceding the use of firearms may be omitted, if, as a result of all circumstances, there is no time to take these actions, and if a delay would jeopardize the results of the action, or would directly endanger the lives and physical integrity of the policeman or some other person.

Use of firearms against a person in the midst of a crowd

Paragraph 57.

(1) No firearms shall be used against a person in the midst of a crowd or in a group of people, except if the conditions for firearms use against a single person prevail (Paragraph 54) Firearms shall be aimed at a single person.

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(2) No determination regarding the illegal use of firearms shall be made, if, in the course of properly using firearms, a bullet struck a person who has failed to leave the scene despite a call to that effect by the Police.

(3) The use of firearms against a person in the midst of a crowd or in a grouping must be preceded in the sequence stated by

(a) calling upon the crowd or group to disperse, or to cease its illegal conduct;

(b) using other means of constraint to disperse a crowd or a group of people;

(c) a warning to the effect that the next step would involve the use of firearms;

(d) firing warning shots.

(4) Rules pertaining to the omission of actions preceding the use of firearms against individuals shall apply to the omission of actions preceding the use of firearms against persons in a crowd or group of people.

Deployment in troop strength

Paragraph 58.

(1) Policemen may be deployed in troop strength

(a) if the crime aims for a forceful change of the constitutional order (Criminal Code of Laws Paragraph 139);

(b) to terminate events that endanger the safety to life and property of a large number of people, or to prevent violent acts having such consequences, and to capture the culprits;

(c) to find and capture escaped, armed persons who have committed grave crimes;

(d) to liquidate terrorist acts and to free hostages;

(e) to find missing persons or objects;

(f) to prevent catastrophes from happening and to avert their consequences;

(g) to secure the order of functions organized under the law providing for the right to assemble, and other significant functions;

(h) to guard and protect protected persons, hazardous shipments, or establishments that are of outstanding significance to the operation of the state or from the standpoint of public supplies;

(i) to secure scenes of events that occupy large areas;

(j) in other cases specified by law.

(2) When deploying police in troop strength, the Police may limit the rights specified in Paragraph 17 Section (1) to a justifiable extent, and may close areas to pedestrian and vehicular traffic.

Dispersing a crowd

Paragraph 59.

(1) If an illegally assembled crowd, or a crowd manifesting illegal conduct fails to disperse upon a call by the Police to do so, the Police may use the following means and actions in addition to the means of constraint provided for in this Chapter:

(a) water cannon;

(b) pyrotechnical means, rubber bullets;

(c) nauseating gas,

(d) net;

(e) forced dispersal accomplished on horse back or in vehicular formation.

(2) The crowd shall receive an advance warning before the means specified in Section (1) are used.

(3) Restricting a crowd in its departure from a scene is hereby prohibited.

(4) Firing shots to disperse a crowd is hereby prohibited.

Paragraph 60.

(1) When deploying policemen in troop strength, policeman shall proceed pursuant to the orders of the commander of the troop.

(2) When deploying policeman in troop strength to disperse a crowd, the Police shall not examine the individual responsibility of persons at the scene.

Common rules

Paragraph 61.

(1) Circumstances permitting, a person shall be warned before applying means of constraint.

(2) Except for physical constraint and handcuffs, and except in cases of justifiable defense, no means of constraint shall be used against visibly pregnant women and children.

(3) If standardized means of constraint are not available, or if it becomes impossible to use these, the policeman may use means other than handcuffs, black jacks, or roadblocks, as long as legal conditions for using the substitute means of constraint prevail, and as long as these would be suitable to attain the desired, lawful goal.

(4) Explosive weapons authorized for use by the Police shall be governed by the same rules as firearms.

Paragraph 62.

(1) Policemen shall report to their superiors in the chain of command the fact that they used means of constraint.

(2) Policemen shall promptly report to their superiors in the chain of command the fact that that they took action by using firearms, irrespective of the consequences of such use.

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Chapter VII.

SECRET GATHERING OF INFORMATION

Paragraph 63.

(1) Within limits established by law, the Police may gather information in secrecy to prevent, expose, or disrupt the commission of a crime, to establish the identity of, and to capture a person committing a crime, to find a wanted person and to determine his place of stay, and to obtain evidence.

(2) Data gathered in secret shall be classified as secret until such data is used in related criminal proceedings; similarly, the identity of the person who cooperates with the Police, the fact that information is being gathered in secrecy, and the technical details of data gathering in secrecy shall be classified as secrets.

(3) Action taken pursuant to Sections (1) and (2), as well as data pertaining to natural persons, legal entities, and unincorporated organizations shall not be made public.

(4) If no criminal proceeding is initiated after gathering information in secret pursuant to Section (1), upon discontinuing the data gathering effort the prosecutor shall be able to review the data before they are being destroyed (Paragraph 84. Subsection (r)).

(5) In the course of gathering information in secret, the Police may, without special permission, learn about the contents of protected secrets.

Information gathering in secret not subject to court approval

Paragraph 64.

(1) To perform its function specified in Paragraph 63 Section (1), the Police may

(a) utilize informers and confidential agents;

(b) gather information while concealing the police character of the effort;

(c) prepare and utilize cover documents to conceal and protect the cooperating person as well as the police character of the effort, and may establish and maintain cover business ventures;

(d) maintain surveillance of a person suspected of committing a crime, of persons with whom a suspect maintains relations, as well of premises, buildings and other objects, areas and road segments, vehicles and events, and may gather information of the same, prepare audio or video recordings and use technical means to record signals or traces (hereinafter: technical means), and engage in controlled transportation, also in due regard to the provisions of Paragraph 2 Section (4);

(e) entrap criminals to obtain evidence, as long as such trap does not cause injury or health impairment.

(2) The Police may enter into secret cooperative agreements with natural persons, legal entities, and unincorporated organizations in order to perform the functions specified in Section (1).

(3) In cases involving threats to life, physical integrity, or property, extortion, or abetment to commit a crime, the Police may familiarize itself, and may record by technical means information conveyed in telephone conversations, provided that this action takes place at the written request of the telephone subscriber, is restricted to the telephone line used by the telephone subscriber making the request, and further provided that the action takes place within the time limit specified in the subscriber's request. Irrelevant information generated and recorded in a case shall promptly be destroyed.

Establishing, maintaining, and terminating cover business ventures

Paragraph 65.

(1) The Police may establish and maintain cover business ventures specified in Paragraph 64 Section (1) Subsection (c) pursuant to legal provisions applicable to business organizations and individual businesses.

(2) Funds for the establishment, and if necessary, the maintenance of cover business ventures shall be obtained from budgeted funds appropriated to the Police. The necessary funds shall be allocated by observing the rules of secrecy.

(3) Upon termination, the assets of cover business ventures shall revert to the Police.

Compensating persons cooperating with the Police

Paragraph 66.

(1) The Police may provide financial compensation for the activities of persons who cooperate with the Police.

(2) If justified, the Police may pay, or make transfers in foreign currencies with the permission of the Hungarian National Bank, to cooperating foreign nationals.

Establishing the prospect of refusing to investigate, or discontinuing an investigation

Paragraph 67.

(1) With the concurrence of the prosecutor, the Police may enter into an agreement with a person who has committed a crime to provide information in exchange for the prospect of refusing to investigate, or of discontinuing an ongoing investigation. Such agreements shall be entered into only if the interest linked to the goal of persecuting the crime attainable as a result of the agreement exceeds the interests of enforcing the state's need to act under criminal law.

(2) Upon reaching an agreement pursuant to Section (1), the Police shall compensate the victim for damages inflicted by the offender, prepare the necessary cover

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documents, and initiate the consummation of an agreement regarding the maintenance of secrecy.

Requesting information

Paragraph 68.

With prior approval by the prosecutor, the head of the investigative organ of the Police may demand case related data managed by a financial institution, tax authority, or telecommunication service provider organization, for the exposure of a crime punishable by no less than two years in prison. The investigative organ may set a deadline for providing the information. Such data shall be provided free of charge, and the provision of data shall not be refused. Information received in this manner shall be used solely for the designated purpose.

Information gathering in secret, subject to court approval

Paragraph 69.

(1) Subject to court approval, for the purposes of persecuting crimes as specified in Paragraph 63 Section (1), and in cases involving grave crimes, the Police may

(a) search private homes in secret (secret search), and may use technical means to record its findings;

(b) maintain surveillance and use technical means to record events taking place in a private home;

(c) familiarize itself with, and use technical means to record communications conveyed in letters, other shipments delivered by the postal service, as well as by telephone lines, or other telecommunication systems replacing telephone lines.

(2) The Police may use secret information gathering means and methods specified in Section (1) (hereinafter: special means) to find a suspect wanted in conjunction with a crime, and further, if a criminal act not mentioned in Section (1),

(a) may be linked to international criminal activities; or is

(b) aimed at a minor;

(c) realized in series or in an organized fashion;

(d) related to narcotics, or to a substance that qualifies as a narcotic;

(e) related to the counterfeiting of currency or securities;

(f) realized as a result of armed action; or

(g) constitutes terror, or has the character of terror; or

(h) gravely disturbs public safety.

(3) Until an investigation is ordered, the exposure of crimes against the state (Criminal Code of Laws Chapter X), crimes against humanity (Criminal Code of Laws Chapter XI), escape to a foreign land (Criminal Code of Laws Paragraph 343), insurrection (Criminal Code of Laws Paragraph 352), and the endangerment of combat readiness (Criminal Code of Laws Paragraph 363) shall remain under the jurisdiction of the national security services.

(4) The exposure of crimes against nationalities, groups of people, and racial or religious groups (Criminal Code of Laws Paragraph 156), as well as acts of terror (Criminal Code of Laws Paragraph 261) shall be under the jurisdiction of the Police, provided that the Police receives a complaint, or the Police obtains information concerning such acts.•

(5) To perform the function specified in Section (1) Subsection (c), the telecommunication or postal organization shall provide assistance within the scope of its functions.

(6) In the context of Section (1), Subsections (a) and (b), all premises and areas of a public place, or a place open to the public shall be regarded as a private home, in addition to premises specified in Paragraph 97 Section (1) Subsection (c).

Paragraph 70.

(1) A request for permission to use special means shall be submitted by the head of the investigative authority having authority and jurisdiction (hereinafter: investigative authority).

(2) The request shall contain the following information:

(a) the place where the special means are to be deployed, the name of the subject against whom the special means are to be deployed, and available data suitable for the identification of the subject;

(b) the designation of the special means to be deployed;

(c) the planned beginning and end of deployment, expressed in terms of days and hours;

(d) a justification showing that the legal conditions for the deployment of special means exist.

Paragraph 71.

(1) A local court judge designated by the chief judge of the county (Budapest) court, and having jurisdiction at the headquarters of the investigative authority requesting permission, (hereinafter: judge), may authorize the use of special means.

(2) The judge shall issue a ruling supported by reasoned argument within 72 hours from receipt of a request for authorization to use special means, authorizing the use of special means, or rejecting the request for authorization for lack of appropriate legal conditions.

(3) The judge may authorize the deployment or use of special means in each case for a maximum of 90 days, and may repeatedly extend the time period for additional 90 day periods, in response to repeated requests submitted pursuant to Paragraph 70 Section (2).

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Paragraph 72.

(1) In the event that obtaining authorization for the deployment of special means incurs a delay that obviously violates the interest of persecuting a given criminal act, the head of the investigative authority may order a secret search, or the use of special means for a period not exceeding 72 hours (order based on urgency).

(2) A request for authorization shall be submitted simultaneously with the issuance of an order based on urgency. No repeat order based on urgency shall be issued for the same purpose, based on the same reasoning and the same factual situation, if the request for authorization is rejected.

Paragraph 73.

(1) The head of the investigative authority shall promptly order termination of the use of special means, if

(a) it achieved the goal specified in the authorization;

(b) the deadline specified in the authorization expired;

(c) it becomes obvious that further use of special means would not yield results;

(d) the judge denied the use of special means ordered on the basis of urgency.

(2) Information recorded by special means shall promptly be destroyed, if the conditions specified in Section (1) Subsection (d) prevail.

(3) Within eight days from the conclusion of surveillance subject to special authorization, all information not related to the purpose of the surveillance, or data pertaining to persons not involved in the case, shall be destroyed.

Paragraph 74.

The judge authorizing the use of special means shall, at his option, have access to data acquired or recorded in the course of secret information gathering subject to special authorization.

Paragraph 75.

The organ supervising the operations of the Police may, in the course of performing its function, use the special means specified in this Chapter, pursuant to rules applicable to the Police. Requests for authorization (Paragraph 70), orders based on urgency (Paragraph 72), and termination of the use of special means (Paragraph 73 Section (1)) shall be under the authority of the head of the supervising organ.

Chapter VIII

POLICE DATA MANAGEMENT

General rules

Paragraph 76.

(1) Police at the central, regional, and local levels shall handle personal and other data in performing its legally authorized function to prevent and to persecute crime (hereinafter jointly: criminal enforcement), and as part of its state administrative and other enforcement functions.

(2) The management of data needed for the performance of police functions pursuant to law, shall be performed by the Police, and by a designated organ of the Ministry of the Interior (hereinafter jointly: police data management organ).

(3) Data managed by the police data management organ may be used for statistical purposes, in a form unsuitable for identifying persons.

(4) Data pertaining to criminal enforcement shall be managed separately from data related to state administrative tasks.

(5) Personal data of a scope defined by law, concerning persons other than the person subject to official proceedings, but relevant from the standpoint of the person subject to the official proceeding, may be released from the records and from documents underlying the records to the proceeding organ, and to foreign authorities based on international commitments, in furtherance of the proceeding. Data may also be provided from the Police data management system to other organizations or persons, provided that they demonstrate their authority to request such data.

(6) To perform its function, the Police may acquire data from other data management systems, provided that it states the purpose of acquiring such data. The fact that data has been transferred shall be documented by both the data provider and the recipient organ.

Paragraph 77.

(1) Unless otherwise provided for by law, personal data gathered and stored by the Police for criminal enforcement purposes may be used only for police purposes and for criminal enforcement.

(2) The Police shall have access to personal data managed by other organs; such data shall be used by the Police for criminal enforcement and pursuant to law; such data shall not be used for purposes other than criminal enforcement, and shall not be transferred further.

(3) When managing police data, information based on facts shall be distinguished from conclusions reached, opinions, and data based on estimates.

Paragraph 78.

(1) The head of the police organ in charge of managing data shall prevent unauthorized access to, communication, changing, and deletion of personal data, and provide technical and logical [as published] safeguards against deletion.

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(2) The police organ in charge of managing date shall, in the interest of protecting personal data, provide for

(a) preventing the affected party to have access to data, unless exempted by law, or to exercise a right to correct or delete data;

(b) deleting stored data, if the reason for managing such data has ceased pursuant to legal provisions, or if a court has ordered deletion of such data on grounds of privacy.

(3) The time period for which the maintenance of police records is authorized shall be counted from the year after the day when the data was entered into the police records.

Paragraph 79.

The police data management organ shall deal with a person's personal identification data (first name and family name, first name and family maiden name for women, place and date of birth, mother's first name and family maiden name, and citizenship in cases involving foreigners), residential address (data pertaining to residence and place of stay), and as part of data managed for the purpose of criminal enforcement, data of a criminological character related to the criminal act; in the course of performing this function, the police data management organ may use internal identifiers, and personal identification codes pursuant to law.

Paragraph 80.

(1) Except for data specified in separate law regarding state administrative functions, the police data management organ may gather and store special data exclusively in regard to persons suspected of having committed crimes enumerated in Paragraph 84 Subsections (i)-(n).

(2) Special data may be managed only if it is directly related to a specific act.

Paragraph 81.

(1) To perform its legally established functions, the Police may utilize without compensation the records operated by state administrative organs. Irrespective of limitations imposed by the general order of work, data may be requested from the National Personal Data and Address Registry Office, the national motor vehicle and driver basic record, from records containing border traffic data, from records showing persons restricted in traveling abroad, from records pertaining to passports, from the record of criminal offenders (persons convicted based on the final judgment of a court), and from records of prisoners in penal institutions. Requests for data shall be fulfilled even if the data is incomplete or fragmented.

(2) The head of the receiving police organ shall be responsible for the transfer of data to the Police from organs enumerated in Section (1), and for the legality of the utilization of the data.

(3) Regarding data transferred for criminal enforcement purposes, the provisions of Paragraph 85. shall govern the release of information to the person involved. The police organ shall inform the data provider simultaneously with the request for data concerning restrictions on the release of information based on Paragraph 84 Subsections (i)-(n).

Paragraph 82.

Data management organs not mentioned in this law shall fulfill police request for data unless exempted by law, and with the exception of organs enumerated in Paragraph 81, shall subsequently recover costs incurred as a result of the Police proceeding.

Paragraph 83.

The police shall manage the personal identification and address data of participants in a proceeding, as well as the identifying data of a case from the beginning of the proceeding until the document that served as the basis for the case is discarded.

Data management related to criminal enforcement

Paragraph 84.

In the interest of criminal enforcement authorized by law, and for the time periods specified herein, the Police may store, or transfer from the records of other organs authorized to manage data, the following:

(a) records of convictions, sentences, and measures pronounced by courts and not subject to appeal (criminal record), for the time period specified in separate law;

(b) the important criminological characteristics of unsolved crimes, until the offender is found, or, failing that, until the statute of limitations expires;

(c) traces, material remnants, implements, and samples of odor found at the crime scene, for the time period specified in Subsection (b) above; and further, if the offender is known or captured, the personal data, fingerprints, physical description, photograph, voice and odor samples of the person questioned and suspected of having intentionally committed a crime, as well as data yielded by tests performed by expert criminologists, for 20 years after the statute of limitations expires, or, in case of conviction, for 20 years after relieving the convict of disadvantages stemming from his criminal background;

(d) the important criminological characteristics of persons suspected of having intentionally committed a crime, and questioned or convicted, until the statute of limitations expires, or, if convicted, until relieving the convict of disadvantages stemming from his criminal background;

(e) data of persons detained by the Police, of persons prohibited from leaving their residences, and of persons released on bond, until the statute of limitations expires,

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or, in case of conviction, until the offender is relieved of disadvantages stemming from his criminal background;

(f) data yielded in the course of searches for persons, motor vehicles, or objects, including sales transaction data, until the cause for maintaining such data ceases, or until the statute of limitations expires;

(g) data of prisoners held in penal institutions, of prisoners conditionally furloughed, and prisoners temporarily absent, as long as they serve their sentences, or until enforcing their sentences becomes impossible;

(h) characteristics of unknown corpses, and of unusual deaths, until the corpse is identified, or for 20 years starting on the day when the corpse was found, or when death set in;

(i) except as provided for in Paragraph 73 Section (3), the data of persons subject to secret information gathering, and the results of the secret information gathering effort, until the secret information gathering effort is discontinued; if such efforts results in criminal proceedings, until the statute of limitations expires; in case of conviction, until the offender is relieved of disadvantages stemming from his criminal background, or for a maximum of 20 years;

(j) data pertaining to persons suspected of having committed grave crimes, as well as to their associates, the important criminological characteristics of the crime, and specifically, if the crime has one or more of the following characteristics:

1. possible relationship to international criminal activities,

2. the crime materialized in the form of rape,

3. the victim is a child,

4. the crime had a serial character or was committed in an organized form,

5. the crime involved narcotics or substances that qualify as narcotics,

6. the crime involved counterfeiting of money or securities,

7. weapons were used in the course of committing the crime, or

8. the crime gravely disturbed public safety

for a period of 20 years, or for a period of time required pursuant to international commitments;

(k) based on international commitments, the data of all persons, their actions and connections, whose crimes are subject to persecution on an international scale, until the statute of limitations expires, or as specified in the applicable international agreement;

(l) the data of persons and their connections involved in actions or situations suggesting that they are part of organized crime, and the important criminological characteristics, for 20 years after the most recent data concerning such persons were generated;

(m) the data of persons subject to crime prevention control, the underlying considerations and the findings of the control action, for one year after the release of such person from prison;

(n) the data of persons and their connections, their status in the proceeding, and the related data contained in documents generated as part of the investigation, or in exposing and proving individual crimes, until the final judgment of a court, or, if the investigation is discontinued, until the statute of limitations expires;

(o) data contained in physicians' false or falsified prescriptions for pharmaceuticals with narcotic contents, discovered as a result of police crime prevention control action based on separate legal provisions, (including the name, age, residential address of patient, identification number of physician or health care facility, data pertaining to the pharmaceutical, identification number of the pharmacy, and the personal identification data of the person who picked up the prescribed pharmaceutical), for five years from the date when the prescribed pharmaceutical was picked up, unless criminal proceedings were initiated;

(p) data recorded in the course of identification checks or searches for criminals to prevent crimes or rules violations, for two years from the date of such actions;

(r) data gathered in secrecy, for a maximum of two years from completion of the data gathering effort, unless criminal proceedings were initiated;

(s) data identifying the telephone stations from which persons called the telephone number for general emergency assistance, and the contents of related telephone conversations, for a maximum of one year.

Paragraph 85.

(1) The police data management organ shall not provide information to the persons involved concerning data specified under Paragraph 84 Subsections (i)-(n) and (r). This provision shall not abridge the rights of participants in criminal proceedings.

(2) Unless otherwise provided for by law, the correction and deletion of personal data stored for the purpose of criminal enforcement shall be accomplished in a manner that the original data can also be retrieved.

Paragraph 86.

(1) Only the members of Police, and of the organ supervising the Police, a Ministry of the Interior public official designated by the minister of the interior, the commissioner responsible for the protection of personal data, and representatives of other organs authorized by law shall have access to, or shall be given information or

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notice regarding, or data from the Police data bank maintained for the purpose of criminal enforcement.

(2) In addition to the Section (1) provisions, data may be requested by the following organizations in the interest of enabling them to perform their functions established by law, provided that the requester organization states the reason for requesting the data:

(a) the investigative authorities,

(b) the courts,

(c) the prosecutors' offices,

(d) the national security services,

(e) the border guard organ having jurisdiction,

(f) the Foreign Ministry organ having jurisdiction,

(g) the military administrative organ having jurisdiction,

(h) other organs authorized by law.

(3) In instances specified by law, the police data management organ may release criminal data to organizations and persons not mentioned in Sections (1) and (2) provided that such organizations or persons verify their authority to request such data.

(4) Organs requesting data shall be responsible for handling the data obtained pursuant to Section (2) in a manner consistent with this law. They shall document, and maintain records of the manner in which they utilized the data.

(5) The minister of the interior, the national police commander, or a police commander may refuse to release data of interest to the public on grounds of criminal enforcement considerations, if the information deals with planned police action, or with certain internal organizational units or technical means of the Police. With respect to a specific criminal act, the head of the investigative organ may also decline to release information of interest to the public.

Paragraph 87.

The Police may forward personal data gathered in Hungary to foreign criminal enforcement and judicial organs, as well as to international criminal enforcement organs on the basis of international commitments, and further, for purposes of criminal enforcement in the framework of privacy requirements, and the provisions of this law.

Paragraph 88.

(1) In performing its legally authorized criminal enforcement functions, the Police may merge its criminal enforcement data system with other data systems, and may manage a single data base in the course of investigating and exposing a given crime, provided that the observance of privacy requirements is assured also on part of the data manager. Data contained in such single data base shall be deleted upon completion of the proceeding.

(2) The Police may merge its criminal enforcement and state administrative data bases for the investigation and exposure of a crime only if conditions specified n Paragraph 84 Subsection (j) prevail. Such data shall be deleted upon completion of the proceeding.

(3) To perform its criminal enforcement functions, the Police may transfer data from other data management systems, provided that it indicates the intended use of the data. The fact that data has been transferred shall be documented by both the data provider, and the recipient organ.

Paragraph 89.

(1) In the interest of performing its criminal enforcement functions, in the course of searching for persons, motor vehicles, or objects, in prohibiting a person from leaving his residence, in permitting the placement of bail bond, or based on an international commitment, the Police may order the marking of certain data in the civilian personal data and address records, and in other administrative or border traffic control records. In giving such orders the Police shall state the purpose of marking certain data. In ordering the marking of data, the Police may request the apprehension of a person, or, in case of change in data, the notification of a person. The requested data management organ shall comply with the order of the Police.

(2) The Police shall initiate action to remove the marks, or to discontinue the markings, if the cause for marking has ceased.

(3) The head of the requester police organ shall be responsible for ordering and discontinuing the marking of data, and for the action requested.

(4) In the interest of criminal enforcement, the Police and the requested data management organ shall not inform the person affected by the marking about the placement of the mark, the reason for marking, and the action taken on the basis of the mark.

State administrative data management

Paragraph 90.

In the interest of performing functions related to state administrative, other than criminal enforcement, and rules violation proceedings, and for time periods stated herein, the Police may manage and store the following data:

(a) data pertaining to persons holding permits to manufacture and/or buy or sell firearms, ammunition, gas, alarm, and air guns, or to repair firearms; data pertaining to persons holding permits to acquire or possess firearms, gas and alarm weapons; data pertaining to persons holding permits to use target ranges, or to possess

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weapons operating with blank cartridges in theatrical or motion picture productions; data on firearms, gas and alarm weapons, and weapons operating with blank cartridges for which permits have been issued; as well as data verifying conditions which served as the basis for issuing or revoking permits (incapacity to act, placement under guardianship resulting in limited capacity to act, criminal background, crime or rules violations committed with firearms or with ammunition): for 10 years after the expiration date of the permit;

(b) data pertaining to persons holding permits for the importation, exportation, transshipment, acquisition, utilization, storage or transportation of nuclear, radioactive materials, equipment producing ionizing radiation, narcotics, psychotropic [unknown word: "pszichotrop"] materials, industrial explosives or pyrotechnical materials (hereinafter jointly: hazardous means and materials that jeopardize public safety [hazardous materials]), the place where the hazardous materials are manufactured and stored, data pertaining to the manufacturer, and data verifying the conditions upon which permits were issued or revoked: for 10 years after the entitlement specified in the determination has ceased;

(c) data contained in drivers licenses and vehicle registrations, including health fitness data and road worthiness: for 10 years from the expiration date or revocation of a permit or registration;

(d) data contained in personal identification documents issued or revoked, including the reason for revocation (placement under guardianship with incapacity to act, imprisonment): upon expiration of the document, or 10 years from the issuance of a new personal identification document, or until the reason for revocation ceases;

(e) data pertaining to persons under supportive supervision, and to persons banned by courts, and further, to persons prohibited from pursuing their occupations or from driving vehicles, if the issuance of a permit for the pursuit of the occupation is under the authority of the Police: for five years, or until the supportive supervision, ban, or prohibition expires;

(f) data needed to identify persons pursuing activities under the control authority of the police or based on Police permits pursuant to separate legal provisions, and data pertaining to the subjects of Police permits or to activities subject to police control: for 10 years starting on the expiration date or revocation of the permit, or for a period specified in separate legal provisions;

(g) the identification date of organs and persons pursuing personal or property protection, or private investigation activities, as well as data identifying the scope of their activities: for ten years after conclusion of the activities;

(h) data reported pursuant to legal provisions, regarding functions subject to the authority of the law on the right to assemble, for two years; and data pertaining to the directors and organizers of functions not under the authority of the law on the right to assemble: for two years;

(i) the personal data and addresses of persons whom the Police held responsible or fined on the scene for violating a rule, and a description of the offense, the penalty or measure applied, and the case number of those who were penalized based on a point system pursuant to legal provisions: for two years;

(j) data contained in requests for visas filed by foreigners, the place and time of entry to, and exit from Hungary, as well as data showing an extension of the length of time of stay in Hungary, as shown in the visa, and in case of travel by car, the license plate number of the car and other identifying data: for a period of five years starting on the date of entry to Hungary.

Paragraph 91.

The provisions of separate laws shall govern the managing of personal data related to additional rules violation, alien control, and other state administrative proceedings under Police authority.

Chapter IX.

LEGAL RECOURSE

Paragraph 92.

(1) The rules of criminal procedure, state administrative procedure, and rules violation procedure shall govern legal recourse against police action and the use of means of constraint provided for in this law.

(2) Complaints regarding police action related to state administrative or rules violation proceedings conducted by the Police shall be filed in the form of petitions for legal remedy against substantive determinations issued in the case, or determinations terminating a proceeding.

(3) If no petition for legal remedy is filed against determinations mentioned in Section (2), complaints may be filed against the police action related to the proceeding, with due regard to the provisions of Paragraph 93.

Paragraph 93.

(1) If no proceeding is initiated pursuant to Paragraph 92 Section (2) after the police action, a complaint may be filed within eight days from the date of grievance caused by the police action, with the head of the police organ that took the action. If a proceeding is initiated pursuant to Paragraph 92 Section (1) concerning the police action subject to complaint, the complaint shall be acted upon on a priority basis.

(2) The head of the police organ shall issue a determination supported by reasoned argument regarding the complaint within eight days from date of receipt of the complaint.

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(3) The complainant may file an appeal with the head of the superior police organ regarding the determination within eight days from date of receipt of the determination. The superior organ shall issue a determination supported by reasoned argument within eight days from the date of receipt of the appeal, approving, changing, or annulling the determination in the first instance.

Chapter X.

CLOSING PROVISIONS

Paragraph 94.

For purposes of preventing and exposing internal criminal activities at organs charged with the protection of law and order, the Government shall exercise its control through the organ controlling the operations of the Police.

Paragraph 95.

(1) In conjunction with the payment of rewards (Paragraph 27) and the compensation of persons who cooperate with the Police (Paragraph 66) the police organ providing the financial benefit shall deduct and pay in the recipients personal income taxes due after the amount paid.

(2) The Police shall deduct from amounts payable to cooperating private persons pursuant to Section (1) an amount based on the highest tax rate specified in the personal income tax law, and shall pay the same to the tax authorities. The private person shall not add this income to his total gross income, and shall not declare this income on his tax return, and the payor shall not provide individual payee data, nor shall the payor issue a statement to the private person in this regard.

Paragraph 96.

The National Assembly commissioner on citizen rights may have access to documents generated as a result of examining complaints over Police proceedings, pursuant to Law No. 59 of 1993.

Definitions

Paragraph 97.

(1) In the context of this law

(a) legal provision shall mean statutory law, government decree, and/or ministerial decree;

(b) clothing shall mean clothing, packages, and objects worn or carried by the person subject to police action, or the same found on the scene of police action, under the person's supervision, or available to the person;

(c) private home shall mean a residence (resort, summer vacation home, or other premise, establishment, or object used for residence), as well as related premises, establishments, and fenced in areas serving other than residential purposes;

(d) group, grouping shall mean a unified group acting upon its own volition, composed of between three and 10 persons;

(e) crowd shall mean a group, or grouping of more than 10 persons;

(f) catastrophe shall mean an extraordinary event (irregular condition) which significantly threatens, causes heavy damage, or directly endangers human life, health, living conditions, material possessions, and/or the natural environment; protection against the damaging effects of catastrophes requires coordinated cooperation between state and local government organs, citizens, and other organs, and extraordinary measures defined in separate law;

(g) law and order organ shall mean the Police, the border guard, the state civil defense organs, the professional fire services, the organs of the customs and revenue police, and the body of penal enforcement;

(h) detained person shall mean a person restricted in his right to move freely and to choose his place of stay based on law, or on a determination issued by an authority pursuant to law (persons taken into custody, persons under preliminary arrest, persons under public safety custody, persons captured and presented, or presented in response to a writ of habeas corpus);

(i) grave crime shall mean a crime punishable under law by at least five years in prison.

(2) Wherever a legal provision uses the terms "armed body" or "member of an armed body," those terms shall also mean the Police, or a policeman.

Paragraph 98.

Except for the secret gathering of information subject to court approval, provisions of this law concerning summoning [for duty at the Ministry of the Interior] (Paragraph 7 Section (7)), as well as the provisions of Chapters IV-IX, shall also be appropriately applied to the border guards, in the framework of the border guards' enforcement function specified in the Constitution.

Paragraph 99.

The national police commander's earlier appointment shall not be affected when this law takes force, and the terms of office of police commanders and district police commanders appointed on the basis of competitive exams shall be changed to indefinite duration.

Authorizations

Paragraph 100.

(1) The Government is hereby authorized to promulgate decrees regarding the following:

(a) rules and regulations governing certain implements and materials presenting a threat to public safety, thus, especially civilian purpose firearms and ammunition,

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gas, alarm, and air guns, industrial explosives and pyrotechnical means, implements used for the secret acquisition of information, and further, certain implements which may be used for that purpose, implements used in the course of police constraining action and other implements that may be used for that purpose, the manufacture, sale, transportation, storage, and use of implements that threaten the proper use and operation of Police telecommunication, control, and computer equipment;

(b) conditions for the establishment, operation, and termination of the armed security guard, until rules and regulations are promulgated in the form of law;

(c) procedural rules related to the use of personal possessions in the course of police action, and related indemnification;

(d) definition of the organs authorized to apply boots to vehicles, conditions for the use of boots, and special procedural rules;

(e) definition of the scope of services the Police may perform for compensation;

(f) definition of the scope of Police tasks, for the performance of which the Police may use a collaborator under separate contract;

(g) rules for the crime prevention activities of social self-defense organizations;

(h) rules for personal and property protection and private investigation activities, until such rules are promulgated in the form of law;

(i) rules related to preventive defense, the securing of persons, and the protection of objects;

(j) issues related to Police personnel, until these matters are treated in the framework of law;

(k) crime prevention, the persecution of crime, state administration and enforcement issues requiring rules and regulations in the framework of public safety and the protection of public order, but which do not require the promulgation of laws.

(2) A legislative proposal shall be submitted within one year from the effective date of this law, regarding requirements established in Section (1), Subsections (b), (h), and (j).

(3) The Government is hereby authorized to establish detailed procedural rules for the establishment and maintenance of cover business ventures.

Paragraph 101.

The minister of the interior is hereby authorized to promulgate a decree determining

(a) the functions, authority, and jurisdiction of police organs;

(b) qualification and other fitness requirements for policemen, and rules for verifying compliance with fitness criteria;

(c) the order of police jails;

(d) police tasks related to transportation and traffic enforcement on waterways; basic rules of conduct on open waters;

(e) the service rules and regulations of the Police, and as part of that: detailed procedural rules for police actions, and the use of means of constraint, firearms and troop deployment, Police tasks related to averting acts of terror, the protection of persons and objects, and protecting the security of civil aviation, the forms of service, the relationship between superiors and subordinates, police rules of conduct, the order of wearing the uniform, possibilities for policemen holding other income-producing occupations, and the order of reclassifying work functions at the Police;

(f) Police tasks in cooperation with the civilian guard and other volunteer organizations;

(g) the functions of organs authorized to manage police data, and detailed rules for data management;

(h) authorizing the use of special means and methods in concurrence with the chief justice of the Supreme Court, and detailed rules for the use of special means and methods;

(i) the scope of establishments of particular significance from the standpoint of the operations of the state and of public supplies;

(j) the order of searching for missing persons, and of investigating unusual deaths;

(k) the order of performance of Police tasks relative to transportation on public roads, railroads, waterways and airplanes, and Police tasks in the field of air traffic enforcement, flight safety, and the protection of airplanes;

(l) the activities of the domestic courier service; and

(m) the manner in which traffic enforcement measures are to be implemented, rules for the manufacture, sale, issuance and use of public road vehicle drivers licenses, and of the official registration of, and tags for motor vehicles, conditions for the on the spot confiscation and revocation of these, substantive and formal criteria for permits and tags, as well as rules for permitting the mounting of distinguishing and warning signs, and the order of their use and revocation.

(2) In the interest of public safety, the minister of the interior may restrict or prohibit by decree the manufacture, sale, transportation and use of civilian firearms and ammunition, gas and alarm weapons, industrial explosives and pyrotechnical products, as well as the bearing

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of firearms and ammunition, gas and alarm weapons, and may order the storage of these by the authorities.

Paragraph 102.

Within six months after this law takes force, the minister of the interior shall provide for

(a) the repeal of obsolete and unnecessary legal provisions and directives contrary to the provisions of this law, and for

(b) appropriately changing the police record keeping system so as to comply with the provisions of this law, and for discarding records which contain data whose deadline for elimination has passed, and records which can no longer be managed, pursuant to provisions applicable to archives.

Enactment

Paragraph 103.

(1) Except as provided for in Sections (2) and (3) below, this law shall take effect on the first day of the sixth month following its proclamation. Simultaneously, the following shall lose force:

(a) Decree with the Force of Law No. 22 of 1962 on the authority of the police to use weapons;

(b) Paragraphs 5-8 and 11/A of Decree with the Force of Law No. 17 of 1974, and Paragraphs 20 and 22 of Law No. 22 of 1990 on state security and public safety;

(c) Paragraph 6 of Law No. 10 of 1990 providing temporarily rules for authorizing special secret service means and methods;

(d) Council of Ministers Decree No. 39. of 1 November 1974 on the police, and amendments thereto: Council of Ministers Decrees No. 48 of 21 November 1984 and No. 154 of 19 December 1989, and Government Decree No. 4 of 11 July 1990;

(e) Paragraph 12 of Council of Ministers Decree No. 44 of 13 March 1990 on the repeal and amending of certain Council of Ministers decrees and determinations;

(f) Council of Ministers Decree No. 83 of 27 April 1990 on amending certain directives relative to the police, and the direction of the police;

(g) Paragraph 7, Section (2) of Government Decree No. 115, of 10 September 1991 on hand guns and ammunition, gas and alarm weapons, air guns and shooting ranges;

(h) Council of Ministers Determination No. 1,054 of 23 March 1990 on tasks related to the direction of the police; and

(i) Paragraph 1, Section (4) of Law No. 55 of 1990 concerning the legal status of National Assembly representatives.

(2) On 1 May 1994

(a) provisions contained in Paragraphs 94, 95, 96, 100, 101, 107, and 111. shall take effect; and

(b) in Law No. 29 of 1989 on emigration and immigration: the partial text in the title of the Law referring to immigration; Paragraph 1 Section (2) and Paragraphs 6-10; in Paragraph 11 Section (1) the partial texts "rejecting immigration" and "permit to immigrate, and certificate authorizing permanent residence"; the provisions of Paragraph 11 Sections (2)-(3), and of Paragraph 12 concerning immigration affairs; in Paragraph 13 Subsection (a) the term "immigration"; and in Paragraph 13 Subsection (c) the term "as a result of immigration" shall lose force.

(3) On the first day of the month following proclamation, Paragraph 106 Sections (2)-(3) shall take force with the caveat that the provisions of these sections be applied as of 1 January 1994.

Paragraph 104.

(1) The following provision shall replace the present Paragraph 127 Section (3) of the Code of Criminal Procedure, and the numbering of the present Sections (3) and (4) shall be changed to Sections (4) and (5):

"(3) When a person is strongly suspected of having committed a crime, the investigative authority, with the approval of the prosecutor, may decline to investigate, if the criminal enforcement interest attainable as a result of cooperation with the suspect exceeds the state's enforceable interest under criminal law."

(2) The following provision shall replace the present Paragraph 139 Section (3) of the Code of Criminal Procedure, and the numbering of the present Sections (3) and (4) shall be changed to Sections (4) and (5):

"(3) When a person is strongly suspected of having committed a crime, the investigative authority, with the approval of the prosecutor, may terminate its investigation, if the criminal enforcement interest attainable as a result of cooperation with the suspect exceeds the state's enforceable interest under criminal law."

Paragraph 105.

The following provision shall replace Paragraph 29 Section (1) of Decree with the Force of Law No. 5 of 1979 on the enactment and implementation of Law No. 4 of 1978 with regard to the Criminal Code of Laws:

"(1) A Ministry of the Interior organ authorized by a minister of the interior decree shall lead the criminal record keeping [operation]."

Paragraph 106.

(1) The following provision shall replace Paragraph 4./A Section (4) of Decree with the Force of Law No. 10 of

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1971 concerning the service duty relationship of the professional personnel of the armed forces and armed bodies:

"(4) Based on the proposal of the minister of the interior, the prime minister shall appoint and dismiss the national police commander, and the national commander of penal enforcement shall be appointed and dismissed by the minister of justice."

(2) The following provision shall replace Paragraph 11 Section (1) Subsections (a), (c) and (d) of the above Decree with the Force of Law":

"*(a) generals:* colonel general; lieutenant general; major general; brigadier general;

"*(c) [lettering as published] officers:* captain; first lieutenant; second lieutenant;

"*(d) ensigns:* regimental ensign major; ensign major; ensign;"

(3) The following provision shall replace Paragraph 14 Sections (1) and (3) of the above Decree with the Force of Law":

"(1) Waiting periods to be spent in various ranks [before promotion into the next higher rank]:

major—six years, captain—five years, first lieutenant—4 years, second lieutenant—3 years, ensign major—7 years, ensign—6 years, regimental sergeant major—5 years, sergeant major—4 years, sergeant—3 years."

"(3) There is no waiting period for generals, colonels, lieutenant colonels and regimental sergeant majors. Waiting periods for noncommissioned officers shall be determined by the minister having jurisdiction."

(4) Paragraphs 23/A-23/D of the above Decree with the Force of Law, and Law No. 82 of 1990, amending the above Decree with the Force of Law shall lose force.

Paragraph 107.

The following provision shall replace Paragraph 2 Section (1) Subsection (a) of Law No. 11 of 1991 on the State Public Health and Medical Officer Service:

(The Service shall oversee the public health and epidemiological conditions /hereinafter: public health/ in the country. As part of this, the Service shall)

"(a) exercise control over public health throughout the country, except in the Armed Forces and the Police;"

Paragraph 108.

The following provision shall replace Paragraph 28 Section (6) of Law No. 45 of 1992 concerning the postal service:

"(6) Based on permission granted in separate law, the service provider shall enable the use of secret information gathering means and methods."

Paragraph 109.

The following provision shall replace Paragraph 46/A Section (2) Subsection (c) of Law No. 69 of 1991 on financial institutions, and the activities of financial institutions:

"(c) provided that conditions specified in separate law prevail, with the organization authorized to use secret service means, and to gather information in secret;"

Paragraph 110.

The following Section (4) shall be added to Paragraph 15 of Decree with the Force of Law No. 23 of 1989 on the registry of firms maintained by court, and on the oversight of the legality of firms:

"(4) A firm intended to perform personal and property protection services shall not be registered unless the petition for registration is accompanied by a permit issued by the Police."

Paragraph 111.

The following Sections (3) and (4) shall be added to Paragraph 37 of Law No. 86 of 1993 on foreigners' entry to, stay in, and immigration to Hungary:

"(3) The rules of custody in Decree with the Force of Law No. 11 of 1979 on the enforcement of punishments and measures shall be appropriately applied to alien control enforcement custody in penal institutions.

"(4) The minister of justice is hereby authorized to decree, in agreement with other interested ministers, detailed rules for alien control enforcement custody in penal institutions."

[Signed:] Arpad Goncz, president of the Republic; Gyorgy Szabad, President of the National Assembly

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Draft Budget Meets Legal, Procedural Requirements

LD2912160994 Warsaw PAP in Polish 1539 GMT 29 Dec 94

[FBIS Translated Text] Warsaw, 29 Dec—The 1995 draft budget, presented by the government together with the amendments introduced by Sejm commissions, meets all legal and procedural requirements, Deputy Waldemar Michna said in the Sejm today, presenting a report by the Economic Policy, Budget, and Finance Commission.

In highly cultured countries, Michna continued, referring to opinions about a possible presidential veto against the budget, apparent legal understatements are not used, especially in respect of issues as important for the state as its budget.

Oleksy on Walesa's Attempt To Limit Sejm Powers

LD2912175594 Warsaw PAP in Polish 1548 GMT 29 Dec 94

[FBIS Translated Text] Warsaw, 29 Dec—Without waiting for the Sejm to consider the Constitutional Tribunal ruling on the amendment to the act on the deputies' and senators' duties and rights, the president has reported that he will not sign the act. Sejm Speaker Jozef Oleksy has described this position as premature. This is a precedent-setting case.

Replying to the president's letter, dated today, Speaker Oleksy noted that he regarded the position presented therein as "premature and lacking purpose at this stage of the procedure." In his letter, the president had informed the speaker that he was refusing to sign the 22 April 1994 act amending the act on the deputies' and senators' duties and rights in view of the Constitutional Tribunal ruling of 20 December.

The amendment, which among other things entitled parliament members seeking reelection to a lump sum, was vetoed in this very respect by the president on 9 June. When the Sejm rejected the veto, the president did not sign the act, but petitioned the Constitutional Tribunal which, on 20 December, decided that the provision was contrary to the Constitution.

Andrzej Zoll, the president of the Constitutional Tribunal, told journalists that, at the time the case was examined, the "judges among themselves" adopted the "following interpretation: When the president petitions us before signing an act and the tribunal rules that it is contrary to the Constitution, the act does not return to the Sejm."

In a letter sent to the president on Thursday, the speaker referred to the constitutional provisions, as well as to those in the act on the Constitutional Tribunal, under which tribunal rulings that find that a legislative act is contrary to the Constitution are subject to Sejm scrutiny, and the decision of the Sejm is final. As far as the above Constitutional Tribunal ruling (relating to the issue of deputies' lump sums) of 20 December is concerned, the "Sejm will only be able to scrutinize it once it has received the ruling along with the reasons for it in writing."

In his reply, Speaker Oleksy writes: "In this situation, I should have to regard your position, Mr. President, contained in the above letter, as an attempt to restrict the constitutional and statutory powers of the Sejm."

Oleksy on Walesa's Views on Tax, Sejm Dissolution

LD3012115994 Warsaw Radio Zet in Polish 0715 GMT 30 Dec 94

[FBIS Translated Excerpt] [Presenter Woyciechowski] Sejm Speaker Jozef Oleksy is our guest this morning. Good morning. What exactly happened yesterday at the Constitutional Tribunal?

[Oleksy] It did not happen, to be precise. The Tribunal was to have examined the presidential reservations against the tax law for 1995. The date had been announced earlier, but the session did not take place because there was no presidential representative present. This is a bad practice. I understand someone could fall ill, but the presidential office does not employ one person. Because of the importance of the issue, this should not have happened. If it was done to delay and block matters and hamper the speedy resolution of controversial issues, this will certainly not serve the legal order and the serious approach required in dealing with important matters. [passage omitted]

[Woyciechowski] In the year that is now ending, there has been a clear conflict between the president and the Sejm, and everybody knows about it.

[Oleksy] It is difficult to speak about the conflict of the ending year. My impression is that, although the president categorically denies this—and I am glad he does—there was a time when the threats issued against parliament by the head of state were very clear. I would say they were unpleasant, inappropriate. Moreover, we have been hearing during these past few days that the president will not dissolve parliament, but both the president and his spokesman immediately say afterward that this is only because there is nobody to hand over power to. It looks as if the president is the only dispenser of power, and not democracy and its rules.

This all sounds very optional, as if to say there is only one person in charge of matters and the fate of Poland. This is a very dangerous trend, and I am glad, as I said, that recently the president has denied his intention to dissolve the Sejm. What has been said, however, has been said, and it has created certain public facts, giving a certain picture of a method aimed at gaining full presidential power and the superiority of this power. Lech Walesa has never tried to hide that he is striving for

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a model of presidential rules, but the method of using accomplished facts to stress his power destroys the existing order because there is no new constitution, and the small constitution clearly defines the system of power in the state. [passage omitted]

[Woyciechowski] Let us leave aside legal language that is hard for ordinary people to understand. I ask the question again. Is there or is there not a conflict between the president and the Sejm?

[Oleksy] Indeed, an ordinary man would like to hear the yes or no answer. I would say that there has been a lack of cooperation.

[Woyciechowski] Is the president striving to dissolve parliament?

[Oleksy] I do not believe so, as I have said publicly on numerous occasions.

[Woyciechowski] Maybe you do not want to believe.

[Oleksy] Indeed I do not because I cannot imagine such actions without legal foundations in the young Polish democracy. If there were a legal ground, if, for example, the Sejm does not pass the budget before 4 February, the president would have the right to dissolve the Sejm. [passage omitted].

[Woyciechowski] Finally, I would like to ask whether Poland has ceased to be a stable country, and why.

[Oleksy] No, it has not yet achieved full stability. This affects our image, as five years is just about time for the democratic mechanisms to become obvious to everybody, and to bind everybody equally. We have to strive toward achieving stabilization quickly and reaching normality. We are all talking about it, and we all want it to happen, but everybody tries to gain something for himself. I belong to those politicians who want to eliminate the chaff from the democratic and public life and to search for wise and good cooperation.

[Woyciechowski] You are in a very conciliatory mood at the end of the year. However, if the conflict between the president and the Sejm were to grow, could the Sejm amend the small constitution?

[Oleksy] I think there are many steps possible within legal limits. This would be a test for political elites, for political groupings, parliamentary groupings, in particular—whether a political game would continue for personal gains or a breakthrough would take place, and everybody would recognize that there are issues above particular interests.

[Woyciechowski] Is this view shared by your coalition partner, the PSL [Polish Peasant Party]?

[Oleksy] This has not been a subject of any decisions or actions because there has been no such need. Judging by the exchange of views, I think the unanimity of views is quite clear as far as the defense of the legal and democratic order is concerned, as well as the consequences of violating this.

[Woyciechowski] Thank you. Sejm Speaker Jozef Oleksy was the guest of Radio Zet this morning.

Podkanski Denies Granting Contract to InterAms

WS2912134894 Warsaw GAZETA WYBORCZA in Polish 29 Dec 94 p 4

[Article by Hanna Nowakowska: "Bids on a Mysterious Bid"]

[FBIS Translated Excerpt] *Minister of Foreign Economic Cooperation Leslaw Podkanski denies allegations made by ZYCIE WARSZAWY that he appointed InterAms II as a contractor to computerize Polish Trade Counsel Offices in 47 countries in contradiction to the recommendation of a special committee.* [passage omitted]

In last night's edition of the television program "Pulse of the Day," Podkanski stated there was neither any bid nor a contract with InterAms II.

He added that he would take disciplinary measures against anyone who disclosed confidential materials in the ministry.

As we recall, the managing director of InterAms II, Zbigniew Ch., testified at a court hearing on 22 December that InterAms II "had won the bid for the contract," but for obscure reasons the Ministry of Foreign Economic Cooperation backed out of the deal and the contract was not signed.

The president of ComputerLand told GAZETA WYBORCZA yesterday that letters his company received from the bid committee do refer to the bid and confirmed that he had received a letter stating that the ministry had chosen the InterAms II offer. "The decision came as a huge surprise, especially as ComputerLand renders services even in Bombay, Bangkok, Jakarta, and Santiago, where Trade Counsel Offices operate, while InterAms II does not," said the head of the company.

Deputy Minister Reports on Pace of Privatization

WS3012113194 Warsaw RZECZPOSPOLITA in Polish 30 Dec 94 p 4

[Report on interview with Deputy Privatization Minister Andrzej Zebrowski by Maria Nowak; place and date not given: "According to Deputy Minister Zebrowski: Progress Is Being Made on Privatization"]

[FBIS Translated Text] The government is frequently accused of slowing down the pace of privatization. We asked Deputy Minister of Privatization Andrzej Zebrowski whether these opinions are just.

The criticism is completely unfounded because the pace of privatization has not been slowed down. In 1994, for the first time since privatization was launched, revenues

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for the budget will double from the more than 4 trillion zlotys [Z] projected to Z8 trillion. This demonstrates that a huge part of the national property has already been privatized. I believe we should rather speak of a broadening scope of privatization on the same level of capital privatization. It is worth remembering that, in previous years, it proved impossible to reach the projected Z4 trillion in revenues.

Neither did the pace of direct privatization slow down. The Privatization Ministry has implemented approximately 200 such transformations this year, as compared with 1,000 since privatization was launched on a national scale.

It is true there has been a delay in the implementation of the National Investment Funds project, but, if you consider the fact that the prime minister has qualified 444 companies eligible for the project, you will see what a huge number is in the scale of the entire Polish economy. Please note that more than 130 enterprises underwent capital privatization over the four years of privatization. One must also keep in mind that, apart from our ministry, various founding bodies carry out privatization.

Preparations for privatization in 1995 are well under way. We are assuming that revenues from capital privatization will reach Z15 trillion, thus being nearly four times higher than 1994 projections and twice as high as 1994 results.

In evaluating privatization in Poland, one must not forget that both projection and implementation are very difficult. These processes depend to a large extent on the approval of the work force in enterprises, on the one hand, and on certain agreements with founding bodies, on the other. For instance, the approval of the Council of Ministers is required to privatize some enterprises. Moreover, there is a demand for investors with considerable capital means. Under the existing legal regulations, our ministry is unable to initiate privatization on its own.

To the question on the condition of joint-stock companies of the State Treasury, as compared with state enterprises, we must say that it is better in the former. On the other hand, as the prime minister pointed out, very often better enterprises were privatized. Most important of all, the financial results of joint-stock companies of the State Treasury have improved since 1993.

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Iliescu Reiterates Call for 'Political Pact'

AU2912200194 Bucharest Radio Romania Network in Romanian 2000 GMT 29 Dec 94

[FBIS Translated Text] Romanian President Mr. Ion Iliescu was invited to partake in a radio program this afternoon entitled: The Press Face To Face With the Power. The subject of that discussion was the road covered by Romanian society since the 1989 revolution. Mr. Iliescu said that the physiognomy of Romanian society has changed radically in the past five years and that current efforts should focus on the economy and the people's lives.

Mr. Ion Iliescu expressed his conviction that Romania will find both the moral force and the necessary political climate to utilize Romanian society's potential in order to consolidate the reform processes, which are bound to raise the living standard.

The discussion, which also took a polemical turn at times, was also attended by Mr. Horia Alexandrescu, director of the CRONICA ROMANA daily, and Mr. Ion Marin, deputy chief editor of ADEVARUL. The participants tackled subjects pertaining to economic reform, corruption, and the role of the parties in public life. President Ion Iliescu reiterated his stance on the need to achieve a political pact and a minimal platform of understanding as a starting base for parliamentary cooperation. He also said that the decisive element at this time is the need to stabilize the climate in the country.

Iliescu Interview; Rules Out Early Elections

AU2912203394 Bucharest EXPRES MAGAZIN in Romanian No. 50 20-27 Dec 94 p 2

[Interview "conducted by fax" with President Ion Iliescu by EXPRES MAGAZIN; answers received on 8 December: "I Regret the Emergence of Antisemitic Accents"]

[FBIS Translated Excerpt] For the past two years, we have asked Romanian President Ion Iliescu to grant us an interview. For various reasons that had nothing to do with our wishes on this matter, this interview did not materialize. Finally, on 22 November, we faxed five questions to the president and we received his answers on 8 December at the close of business, hence we are publishing them in this issue. To the question "What is your opinion about the way in which the executive president of the Social Democracy Party of Romania [PDSR] is using the services of the national press agency ROMPRES to publish long replies to articles in various publications?", Mr. Ion Iliescu answers by another question: "What is abnormal about the fact that ROMPRES used Mr. Nastase's services to fulfill its function of briefing the public at large?" Therefore, the solution of the "dialogue" by fax is not the most indicated one, since it can lead to confusion, to a misunderstanding of the question, or to evasive answers. In a direct discussion, such regrettable situations would have been avoided. We would like to add that the subheads in the text are ours.

Tension Between Press and Parliament

[EXPRES MAGAZIN] Would you be so kind as to comment on Mr. Corneliu Coposu's [president of the National Peasant Christian Democratic Party—PNTCD] statement on his return home: "I came back recovered and with greater energy, and animated by the intention to start—together with our friends and all democracy lovers within the CDR [Democratic Convention of Romania]—the campaign of overthrowing the government by winning the elections."

[Iliescu] We can only rejoice in the fact that Mr. Coposu has returned with greater energy and we wish him to further enjoy good health. As for the CDR winning the elections and overthrowing the government, it is obviously the right of the members of that grouping to hope to win the elections democratically—as a matter of fact, they have periodically displayed such optimistic attitudes in the past few years. As for replacing a government, there are proper procedures for that, as stipulated in the Constitution.

[EXPRES MAGAZIN] The Senate is currently discussing the status of a senator and deputy. Article 7 suggests that the position of deputy or senator should be incompatible with other functions, such as a member of the Private Property Fund [FPP], State Property Fund [FPS], or the management boards of other companies. With a crushing majority, the article was returned to the Legal Commission, having displeased the parliamentarians. Why do you think that even those from the governmental coalition refused to pass this article?

[Iliescu] I have not followed the argumentation of the senators. Consequently, I consider it inappropriate for me to pronounce myself on this matter in the absence of pro and contra arguments. However, I maintain my principled position, which I have stated and maintained for years on end—namely that I support all measures aimed at preventing corruption. [passage omitted]

[EXPRES MAGAZIN] What is your opinion about Mr. Adrian Nastase's [PDSR executive president and speaker of the Chamber of Deputies] outburst, when he threw out from the Parliament's Hall a group of Albanian correspondents filming the empty benches? What is your opinion about the way in which the executive president of the Social Democracy Party of Romania [PDSR] uses the services of the national press agency ROMPRES to publish long replies to articles in various publications?

[Iliescu] To reply to the first part of your question, I must admit that I am not familiar with the circumstances of the incident you are referring to and, until I have proof to the contrary, I do not believe that Mr. Adrian Nastase has exceeded his prerogatives in that respect, because it is not his nature to do so. As for the second part, what is

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abnormal in the fact that ROMPRES used Mr. Nastase's services to fulfill its function of briefing the public at large? All news agencies primarily "hunt" for the opinions of prominent public figures and no one suspect them for doing their job. [passage omitted]

Early Elections Are Impossible

[EXPRES MAGAZIN] The report of the Romanian Intelligence Service [SRI] submitted to parliament mentions the existence of the danger of right and left-wing extremism, the activation of the Iron-Guardist movement, and the attempt to rebuild the single party. Would you like to comment on these statements and on the statement made by PDSR Vice President Ion Solcanu about the antisemitism cultivated in the pages of ROMANIA MARE weekly?

[Iliescu] The reappearance of extremism is a matter of concern for the entire Europe, not only for Romania. Countries with an old democratic tradition and societies that are well equipped with what is needed to ensure civic self-protection are being faced with this phenomenon, which is all the more dangerous for a society in transition and a rule-of-law state in the making like Romania is in 1994. [passage omitted]

Of course, our society has covered a long distance since 1990. Mentalities have evolved at a fast pace, the institutions have improved their activity, and, in spite of several poles of intolerance that preach despise for the majority choice, the democratic behavior was structurally assimilated by the majority of citizens.

Therefore, one should not exaggerate or ignore the danger of left or right-wing extremism. Our history knows instances when the ascent of the extremes was ignored, the result of which has always been tragic.

Regarding Mr. Solcanu's statement, I understand that he said his words were misrepresented. However, in general, I also regret and disapprove of the emergence of antisemitic accents in certain publications, including the one you are mentioning.

[EXPRES MAGAZIN] Returning to the statements of Mr. Corneliu Coposu, who believes in the possibility of early elections; if such elections were to be held, what would be their result, in your opinion? Will the PDSR still win the largest number of votes?

[Iliescu] The idea of early elections was brought up a year ago by the parties of the governmental arch and found no backing among the political class. Mr. Coposu relaunched this idea at a time when, due to the obligatory stages and procedures for organizing a correct and valid ballot, elections are impossible from a technical and scheduling viewpoint. The alternative would be to hold them at an irrelevantly earlier time, maybe a few months earlier, which practically makes them improbable.

Regarding the result of such a ballot, it is hard to predict it. Of course, it will be inevitably influenced by the economic and social situation in the country and by the people's sources of discontent, which are always exploited by the opposition forces, even if they basically have no alternative solutions themselves.

PNTCD Approves Gabrielescu's Resignation

AU2912204294 Bucharest Radio Romania Network in Romanian 1800 GMT 29 Dec 94

[FBIS Translated Text] We received by fax the following communique from the National Peasant Christian Democratic Party [PNTCD]:

The PNTCD Steering, Coordination, and Control Bureau, which held a meeting today, disavowed the attitude displayed by [PNTCD General Secretary] Valentin Gabrielescu during President Ion Iliescu's appearance before the Senate Commission for Investigation of the 1989 Revolution Events. The Bureau does not endorse Mr. Valentin Gabrielescu's words of praise for President Ion Iliescu's political stance. The opinion of the PNTCD leadership in this respect is exactly the opposite.

The communique adds that the Bureau took note of and approved the resignation of Mr. Valentin Gabrielescu from the position of PNTCD general secretary.

The communique is signed by [PNTCD First Vice President] Ion Diaconescu on behalf of the Steering, Coordination, and Control Bureau.

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Serbs Accept Plan as 'Basis for Negotiations'

AU2912191094 Belgrade RTB Television Network in Serbo-Croatian 1853 GMT 29 Dec 94

[FBIS Translated Text] We have just receive a report that the parliament of the Srpska republic in Pale has accepted the peace initiative of former U.S. President Jimmy Carter and the maps of the Contact Group as the basis for further peace negotiations.

Karadzic Comments

LD2912210394 Belgrade TANJUG Domestic Service in Serbo-Croatian 2033 GMT 29 Dec 94

[FBIS Translated Text] Pale, 29 Dec (TANJUG)—Srpska republic president Radovan Karadzic stated this evening that conclusions adopted at a session of the Serb republic assembly in Pale today on former U.S. President Jimmy Carter's mission give an impetus to the peace process in former Bosnia-Herzegovina.

"On the basis of our agreement with President Carter, we have again accepted to join the peace process," Karadzic said.

In a brief press statement the Serb republic president recalled a statement made on 7 December by Charles Thomas, U.S. representative in the Contact Group, when he said that the Contact Group was not setting new conditions, apart from asking the Serbs to return to the negotiating process.

According to the Srpska republic president, the Contact Group plan should be interpreted as being the basis for further negotiations.

Asked what will happen if the Contact Group fails to accept the Serb republic assembly conclusions, Karadzic replied that the Contact Group should not have its own desires, but be a mediator between the warring sides and make efforts aimed at finding a solution acceptable to all.

UN Spokesman: 'Intensified Fighting' at Bihac

AU2912165894 Paris AFP in English 1642 GMT 29 Dec 94

[FBIS Transcribed Text] Zagreb, Dec 29 (AFP)—The United Nations on Thursday reported intensified fighting in Bosnia's northwest Bihac pocket, with more than 50 explosions and anti-aircraft rounds recorded a day after one of the warring parties agreed to a cease-fire in the region.

UN spokesman Thant Myint-U, speaking from Zagreb, said four shells had landed in Bihac town and UN monitors had recorded 28 explosions in the community.

In addition, he said, there were 32 anti-aircraft artillery rounds fired as well as 540 rounds of small arms fire.

But Myint-U was unable to provide casualty details in Bihac town, where mainly Moslem Bosnian Army troops are battling rebel Bosnian Serbs despite a cease-fire signed December 24 that is generally holding elsewhere in Bosnia.

Further north in the pocket, around Velika Kladusa, the United Nations said 60 shells had landed on Thursday a day after dissident Moslem leader Fikret Abdic, whose forces control the town, verbally agreed to a cease-fire following talks with UN Bosnian commander General Michael Rose.

Backed by rebel Serbs from neighboring Croatia, Abdic loyalists have been battling the Bosnian Army's 5th Corps, led by General Atif Dudakovic.

The situation remained volatile in the northern region of the pocket, "with Abdic forces getting the better of the Bosnian Army 5th Corps to the east and south of Velika Kladusa," according to another UN source who did not want to be named.

Dudakovic also met with Rose on Wednesday but said he would have to consult with officials in Sarajevo before agreeing to a truce. He has also demanded that Croatian Serb units pull out of the Bihac pocket.

Myint-U did not say who was responsible for the upsurge in violence in Bihac town and around Velika Kladusa, nor where the firing had come from.

But the fighting in the pocket is threatening efforts by the United Nations to transform the cease-fire, which Abdic did not sign, into a more secure and more comprehensive four-month cessation of hostilities starting in early January.

Despite the new clashes Myint-U said the United Nations remained "confident" that it would be able to arrange a cessation of hostilities by early next year.

But the Bosnian Government has threatened to stay away from talks on a full cessation of fighting and to ignore the truce elsewhere if the fighting does not end in Bihac.

Bihac Shelling Reported

AU3012120694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 30 Dec 94

[Report by Nada al-Isa from Zagreb]

[FBIS Translated Excerpt] Fierce shelling of Bihac with tanks and howitzers has been underway since early morning. The greatest quantity of shells landed in the town center.

We have learned in the Bosnia-Herzegovina Army 5th Corps that this is the first powerful shelling since the signing of the cease-fire agreement. The shells are coming from the direction of the so-called Serbian autonomous region of Krajina, from where powerful infantry attacks, particularly at Klokot water works, are also coming.

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Bosanska Krupa is also being shelled fiercely. The 5th Corps points out that the shelling of Krupa has actually greatly intensified since the implementation of the so-called cease-fire.

Regrouping of enemy forces in the Johovica-Velika Kladusa region has been spotted, too. Fighting around Velika Kladusa did not even stop, while the humanitarian situation there is nearly as bad as in Bihac. [passage omitted]

Serbs Accuse Muslims, Croats

LD3012120594 Belgrade SRNA in Serbo-Croatian 1056 GMT 30 Dec 94

[FBIS Translated Excerpt] Bileca, Sarajevo 30 Dec (SRNA)—Seven days after the signing of the the cease-fire agreement, Muslim units deployed in the Herzegovina sector of the front have not entirely ceased their combat activities, while, in addition to major armed provocations, Croatian units continue to mass fresh troops in the southern part of this sector of the front, Serb military sources in Bileca report.

The Army of the Republic of Croatia has been particularly active in the Trebinje-Dubrovnik sector of the front, where Serb positions came under fire from infantry weapons and Browning heavy machine guns from the direction of Popovo Polje, while the area of Kuk was targeted with 60mm mortar shells. Fresh Croatian units are still arriving in this sector of the front, particularly in the western part of Popovo Polje. [passage omitted]

Rose: 'Premature' To Sign Cease-fire Agreement

LD2912184494 Belgrade SRNA in Serbo-Croatian 1647 GMT 29 Dec 94

[FBIS Translated Text] Sarajevo, 29 Dec (SRNA)—A meeting between the Srpska republic leadership and General Michael Rose, UN Protection Force [UNPROFOR] commander for former Bosnia-Herzegovina—the first in a series of meetings aimed at coordinating details of the agreement on the cessation of hostilities—ended in Pale today.

"I believe we will continue to work as both sides showed good will for it, but I do not expect us to reach any conclusions by the end of the weekend," General Rose said after the meeting.

"I hope the agreement will be signed, but I believe it would be premature to sign it today," Gen. Rose said when commenting on expectations that the agreement could be signed today. "We do not expect to have the agreement signed before 1 January," the UNPROFOR commander said.

Rose added that it is not a question of problems, but of details which are being discussed, and he expressed regret that he could not reveal the details of the agreement until it is fully coordinated.

Colonel General Ratko Mladic, commander of the general staff of the Srpska republic army, said that the UNPROFOR commander gave a truthful account of today's four-hour meeting and that he personally believes that "the warring sides will coordinate all controversial issues."

Asked by a SRNA journalist to comment on the statements by the Croatian military leadership that the clauses of the agreement do not apply to the Croatian defense Council and its offensive in the Livno and Grahovo areas, Gen. Mladic said that this is a matter for Gen. Rose and de Lapresle and that "he expects them to resolve this problem."

Zubak: Croats Not Bound by Cease-Fire

LD2912180694 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 29 Dec 94

["Statement by the presidential council of the Croat republic of Herceg-Bosna"]

[FBIS Translated Text] Kresimir Zubak, president of the presidential council of the Croat republic of Herceg-Bosna and president of the Bosnia-Herzegovina federation, recalled today—in connection with current events relating to the Bosnia-Herzegovina cease-fire talks—the earlier stances which he explained to Mr. Akashi during talks on these questions in Zenica on 15 December.

A cease-fire on behalf of the Croats in Bosnia-Herzegovina can be signed only by their legitimate and legal representatives and a signed agreement is only binding on the Croat side if this peace has been concluded by representatives of the Croatian Defense Council.

In view of the fact that the Croat side did not take part in the current talks at all, nor was it informed of the details of the agreements reached, it does not consider itself obliged to implement the Serb-Muslim cease-fire. The Croat side once again stresses its orientation to establish a cease-fire on the basis of an agreement in which it participates, the starting point being that the cease-fire be established along lines achieved up to now.

Izetbegovic Discusses Peace Plan, Federation

AU2912165694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 29 Dec 94

[Report by Senada Cumurovic on news conference by Bosnia-Herzegovina Presidency President Alija Izetbegovic on 29 December; place not given—recorded]

[FBIS Translated Text] The Party of Democratic Action [SDA] today held a New Year's news conference at which journalists were addressed by Alija Izetbegovic, president of the party and president of the Presidency of Bosnia-Herzegovina. Senada Cumurovic reports:

[Begin recording] [Cumurovic] This news conference had a slightly different course. It began with SDA President Alija Izetbegovic's 1995 greetings to the foreign

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and domestic correspondents, who, according to Izetbegovic, have been reporting correctly on the situation in Bosnia-Herzegovina in the past year.

Nevertheless, this was an opportunity for President Izetbegovic to present some observations regarding the visit to the free territories of our country that he completed last night. The visit was used to hold talks with corps' commanders and the representatives of 30 municipalities in order to get an insight into the primarily demographic and economic situation.

[Izetbegovic] My main impression is that they have not killed us off nor driven us out as they believed they had. Our people have survived and economic resources have been preserved. I think that we will able to restart the economy quickly considering that the infrastructure has been preserved and that the expert staff are still there. So, these two main factors have been preserved. What is lacking at this moment is energy and investments, money. The morale of the army is high, the morale of the people is high, and I am returning with much optimism and [word indistinct]

[Cumurovic] The Contact Group peace plan and the Federation of the Bosniaks and Croats are two political events that, in a way, round off the past year. The questions at the SDA new year news conference therefore referred to these.

According to Izetbegovic, the reason why Bosnia-Herzegovina is returning to the negotiating table is:

[Izetbegovic] The endeavor for peace. We take the view that peace, even when it is not quite just, can help to preserve Bosnia. The continuation of the war represents a greater injustice than some unjust peace, in our view.

[Cumurovic] The condition for peace also has its lower threshold in the case of Bosnia-Herzegovina. This threshold are two facts, the integrity of the country and the Contact Group peace plan.

[Izetbegovic] So, if we have peace based on these two points, we would accept the cease-fire here. We hold the view that the incorrect points of the plan, and this plan is an unjust peace plan, could be corrected in the years of peace.]

[Cumurovic] Replying to a question on what the real relations were in the Federation of the Bosniaks and Croats, Alija Izetbegovic said:

[Izetbegovic] The implementation of the federation is stagnating. We have still not rejected this idea. On the contrary, we are investing fresh efforts to realize it. Despite everything, we do not regret concluding such an agreement, because the Washington Agreement has facilitated the end of the mad war between the Croats and Bosniaks. Even if only this had been achieved with the Washington Agreement, the agreement then had the reason to be reached. In addition, the agreement has opened up some options that are still at our disposal, that have still not been used. They have not been lost.

[Cumurovic] In addition to SDA President Alija Izetbegovic, journalists also received new year's greetings from vice presidents Ejup Ganic and Edhem Bicakcic, Enver Kreso, head of the SDA's deputy caucus, and Professor Ismet Grbo. [end recording]

Silajdzic on Cease-Fire, Peace Prospects

LD2912121494 Zagreb HTV Television in Serbo-Croatian 2230 GMT 28 Dec 94

[Studio interview with Haris Silajdzic, prime minister of the Republic of Bosnia-Herzegovina and prime minister of the Bosnia-Herzegovina Federation, by correspondent Dubravko Merlic; from the "Picture Versus Picture" program—live]

[FBIS Translated Text] [Merlic] Let us begin with today's reports that General Michael Rose managed to get through to Bihac and establish direct contact with Atif Dudakovic, commander of the 5th Corps of the Bosnia-Herzegovina Army. We received a video report from Bihac about 10 minutes ago. Let us take a look at it. [video of CNN report from Bihac shown]

These were the clips from Bihac. What is your assessment of what you have just heard and, in general, of Gen. Rose's attempt to do something in the Bihac pocket?

[Silajdzic] It should have happened a long time ago. Second, it must not be just an attempt; he must do it. He must do it because it is a protected area. Troops of rebel Serbs crossed the Croat border. They violated the border zone of Bosnia-Herzegovina. This should have happened a long time ago, in order to end the suffering of the people in Bihac and in Bosnian Krajina in general. Gen. Rose should have gone to Bihac at least a month ago.

[Merlic] However, is this not an offer of a cease-fire along the present lines of confrontation? Does this rule out any talks on the protected area? Perhaps the Sarajevo government and the Bosnian Army will accept it?

[Silajdzic] In my opinion, a cease-fire should be accepted on the condition that enemy forces take a pledge to leave this area and that the United Nations protects the border with Bosnia-Herzegovina.

[Merlic] Gen. Rose said something else in Bihac today—that he believed this seven-day cease-fire, signed last Friday, would be a good basis for securing a four-month cease-fire. What would a four-month cease-fire bring to the Bosnian Army, i.e. to Bosniaks and Croats, and what would it bring to [Bosnian] Serbs? Why should your government find this acceptable?

[Silajdzic] We have been proposing it ever since the beginning. We have been proposing it since the beginning of the aggression against Bihac. We accepted the presidential statement, i.e. of the president of the UN Security Council. We accepted this statement. We have been proposing a cease-fire. Gen. Rose has come to mediate in something we have already proposed, i.e.

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accepted—a cease-fire. As for the obvious intention of these people from Pale to have the United Nations deployed between us and them, how would the United Nations protect the territory that the Serbs conquered by means of genocide? Of course nothing can come of it. We will not accept it, but we will accept the cease-fire. We will accept—as we have done anyway—giving the international community another chance for talks with these people so that we can reach a peaceful solution if possible. The only problem is that it does not look likely because they do not want it.

[Merlic] If we were to start from this conclusion—i.e. that it is impossible to reach a just peace and that the Bosnian Serbs do not wish to accept any proposals by the Contact Group, that they only want what they now have—what remains to be done? Will the Bosnian Army and the Federation forces fight until the final liberation of all of Bosnia-Herzegovina, or will they agree to a compromise based on the might is right principle.

[Silajdzic] We must defend ourselves. We will put up resistance until a peaceful solution is reached on the basis provided by the Contact Group. What next? A very good question. We all say we want a peaceful solution. What if this is not possible? It has been obvious for three years now that they do not want it. They want to force a political solution that we, as the legal and legitimate government of Bosnia-Herzegovina, do not accept.

The Contact Group plan is not a good plan until a specific deadline is set. Every project, every plan, must have a deadline. One deadline was set, and those people from Pale did not respond to it. Therefore, the international community is wrong in thinking that the plan will be accepted without a new deadline. I think that this should be done. If they are not prepared to accept the peace plan after several weeks or even several months, it will mean that all peace options have been used and they do not want peace. The international community should stop appeasing the new fascism in this part of Europe. We should always remember Czechoslovakia. We should remember Munich in 1939 and carry out radical measures to solve this problem once and for all. Otherwise, the price that will have to be paid by the world, by Europe in particular, will be too high.

We are not only talking about Bosnia any more. Bosnia has become a symbol of a new age. We are embarking on a new course that could get us either to respect human rights and the rule of law or to respect force. Currently we are respecting force, and we can see events taking place in other parts of the world as a result of Bosnia.

[Merlic] Chechnya, you mean?

[Silajdzic] I am afraid that everything will be set on fire from Chechnya, the Caucasus, to the Balkans via Romania, if the current international establishment fails to understand that nothing can be solved by concealing things and putting the blame on others. Therefore, the current international establishment is facing a very tough task. As far as I can see, most of them do not want to take it on or are not completely aware of it. We are at a crossroads. Either we take the road we want to embark on, civilized international relations, or we do not.

Regarding the regime in Belgrade, we are all aware that it has disrupted international relations, international peace and order in this part of the world, simply by crossing the borders of Croatia and Bosnia-Herzegovina. This should have been punished as early as Vukovar. The international community failed to do so, and now we are slowly seeing the consequences. Therefore, if they do not want peace and if they reject the plan after a final deadline, then the least that should be done is what the contact group promised—to tighten the sanctions and arm Bosnia-Herzegovina. Not lifting the embargo, but arming us, because the debt of the international community to Bosnia-Herzegovina is so high that it will never be able to repay it. I am talking about lives; 200,000 people were massacred because they could not defend themselves. Therefore, Bosnia-Herzegovina should be armed unless the international community wants to solve the problem with force in accordance with the UN Charter. The United Nations is not the Red Cross.

It is an organization that has its Chapter 7, i.e. it meets force with force. It responds with force to a change by force of the international order. In this respect, there is a certain kind of misunderstanding. It seems to me that the United Nations has become a large bureaucratic mechanism, some kind of an extended Red Cross committee. This is not what its duty is.

[Merlic] While talking so openly, perhaps we should take a look at the future, at the outcome. Taking everything into account, there is very little optimism regarding the possibility of any particular party taking any decisive action on its own. If a situation follows in which all possibilities have been exhausted, it may happen that Bosnia-Herzegovina will be left to its own devices; or, perhaps it would not be left to its own devices. In which case, who would side with Bosnia-Herzegovina? What kind of implications would be brought about if this Islamic world, as you and Mr. Ganic are repeatedly saying, were openly to take part in this? Where do we go from here?

[Silajdzic] Well, a good question. Where do we go from here? The question should be reformulated as follows: What is today branded as Islamic fundamentalism....

[Merlic, interrupting] I did not say that.

[Silajdzic] It is I who said that. I am glad you have asked me this question. I will tell you what I think about it.

The word itself, Islamic fundamentalism, is borrowed from the 18th century ecclesiastical vocabulary, or more precisely, the English ecclesiastical vocabulary. It was meant to describe a kind of situation that is, in fact, inherent in every religion. There is no religion that is not fundamentalist when it deals with the absolute and the like. Let us not dwell on this in detail.

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Hence, it describes a particular kind of state of affairs in the Islamic world, which is beyond the comprehension of those people who describe it. Consequently, this is a process, an increasingly rapid process, in the Islamic world. Now, as you know, history is accelerating. There are now hundreds of millions of people who are no longer what they used to be as recently as 10 years ago. They are educated and resourceful, with an added bonus thrown in: history, history in a Hegelian sense, the Hegelian kind of weltgeist, the spirit of the world that is slowly moving to where there are hundreds of millions of Muslims. This is the real state of affairs.

These people are becoming a factor, not because they are Muslims, but simply because of this particular historic juncture. All of them are watching Bosnia and drawing the following conclusions:

If several million peaceful, kind, and civilized people—Muslims—cannot survive in this part of Europe, namely Europe, then it means that the West is opting for confrontation rather than cooperation. I believe that this is the right conclusion. We have been drawing attention to this for as long as three years. This is not a matter.... [pauses] There is a large number of people who are, of course, no great believers. Their culture nevertheless makes them belong to something. If, say, someone in Austria or Germany starts demolishing churches, even those who never go to church will react. It is their culture.

In Bosnia, genocide—culturicide—is taking place. We will discuss genocide more later on, if I may. I may say that genocide is taking place in Bosnia now. Genocide, as defined under the UN General Assembly resolution of 11 December 1946, has not been halted and punished in Bosnia. Every cosignatory country is duty-bound to do so. This is why this genocide in Bosnia is being termed ethnic cleansing. Hence, this is a euphemism for genocide, in order to avert some measures. This will be of no help to Croatia either.

We are going to demand of the United Nations to set things in motion on the basis of the UN General Assembly's resolution on genocide. As long as genocide continues, well, an end ought to be put to it. If you take all these things into account, consider things ranging from Kashmir to the Caucasus region and Bosnia, this is all happening to people who confess Islam as their religion. In this respect, if there is not homogenization, then at least there is increased solidarity in this respect. There is a program in the United States: "Watch What You Ask." It translates as something like that. They asked me half an hour ago whether there would be some kind of fundamentalism in Bosnia. I said: If you regard every Muslim as a fundamentalist, then there are 1 billion of them in the world [words indistinct]. If you, however, try to understand the problem in its entirety, then you get something completely different.

Bosnia is a symbol, a crossroads. It is a threat. It poses the question of where all of this leads. It will lead to a clash of cultures and civilizations. In this respect, I agree with Professor Antigton [not further identified] and his theory. There is no confrontation any longer at [word indistinct] level. There is no ideological confrontation. There is no confrontation in the economic sphere, at least not in this decade. Nevertheless, we can end up with cultural and civilizational confrontations.

This is why. The world is getting smaller, with distances shrinking. Communications are very developed. People establish contact at an increasing speed and frequency. They are not prepared for this. They lack what is called a period of acculturation, i.e. whereby cultures get used to each other so they can safely arrive on neutral grounds. What is happening is that people do not understand each other in these close encounters. In such a situation, all it takes is a nationalist, i.e. a fascist trigger like the one in the Balkans, to convey a wrong message across the entire world. This is precisely what is taking place now.

We have a message for all those who fear Islamic fundamentalism. Do not take my word for it. Come to Bosnia and see what is happening on the ground. We are an old European civilization. The Muslims of Bosnia and Bosnia as a state have been a European civilization ever since Kulin Ban [medieval king of Bosnia]. Do you know what happens where the Bosnia-Herzegovina Army is in control? There is no genocide there, no destruction, barring the odd exception. No church has been destroyed, something that can be seen on the ground. By and large, everything stays in its place.

Where the fascist Serb army is there is nothing but wasteland. There are no Catholic or Muslim communities. They have been completely exterminated. In other words, we have two kinds of fundamentalists in this area of ours. There are those who take fundamentalism literally. They are destroying everything in our foundations that is not Serbian. Car parks are being built where mosques and churches were, something that has been retained for centuries. There is another kind of fundamentalism, those who believe in the fundamental principles of our civilization, in fundamental freedoms such as freedom of the press etc., in fundamental human rights. This is what we are.

Now, it is up to Europe to decide as to who she fears most. Europe must decide whether to fear this hypothetical Islamic fundamentalism or the kind of fundamentalism that has so far claimed, in Croatia included, 250,000 lives. This is happening toward the end of the 20th century, in the full view of the world. In other words, we had the public execution of both Bosnia and Croatia in the full view of the world, televised for the first time in our history. Hence, it is up to the world to choose which fundamentalism they should fear.

[Merlic] This is not what I was driving at, but this is probably an issue you have to tackle frequently. So this is why you gave an explanation of fundamentalism. This was not the aim of my question, but I understand your need to explain this. You have been speaking about what can be termed the Islamic sphere. In this context, what about solidarity between the two victims in this area, Croatia, the Croats and the Bosniak-Muslims?

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[Silajdzic] You see, this is a very painful issue. This is a good, albeit difficult, question. Why the Bosniaks and Croats clashed, well, there can be a bit of psychology, Freud, all kinds of things, a clash of victims, etc. True, but I do not believe much in this. Everything was designed and staged to a large extent. Thank God, it has come to an end.

We have started a very serious job. I do not like to call it historic, decisive, etc. although it is a historic job. I fear that a small number of people who do not understand the magnitude of this undertaking can threaten this endeavor of ours.

This is the first time I have said this openly. They think that they can impose some things. They tried to do it with weapons. No success. Let us consider the situation around Bihac and our relations. As the situation became complicated for the Bosnia-Herzegovina Army, some were raising their heads, believing that the time had come for them to change some things in this plan of ours. They are wrong, just as they were wrong in the past. We have never been stronger, as far as the state of Bosnia-Herzegovina is concerned, as far as the Bosnia-Herzegovina Army is concerned. This is an episode that will come to an end. After all, this first offensive has failed.

Let us continue. No one has the right to obstruct the reconciliation and cooperation plan, as it were, between the Bosniaks and Croats, as this is a matter of survival for both the Bosniaks and Croats, a matter of survival for the states of Bosnia-Herzegovina and Croatia.

We have achieved this with a great deal of difficulty and pain. I fear—shall I say by way of euphemism—that there is a lack of seriousness, or perhaps a misunderstanding. The case may be that not everyone is in the right place with regard to this matter.

The Government of the Republic of Bosnia-Herzegovina and the Government of the Republic of Croatia are doing their best to make a success of it. We are doing even more. We have internationalized our cooperation and have done so very successfully, I can tell you. Our two governments are welcomed everywhere. Every door is open to us. This is something we are good at. I do not know whether this fact has been publicized in the way it should be. For example, we approached Malaysia together; we intend to take more such steps. This was our success. This is one of the things that can be done.

This is the future at the end of the day. There is no alternative. Some people can never understand this, no alternative. Bosnia is sometimes told that its path to the West runs via Croatia. All right, let us suppose that this is true, although it is not. Our path, both in Bosnia and Croatia, is primarily one that leads to democracy. When I say democracy, I know that this is a rather worn-out term; nevertheless, this is our path. Once we have done this job in the wake of liberation from the enemy, we can move forward. Who is going to lead whom is absolutely immaterial. Yes, we will stretch ourselves, as they say. We are capable. We are multicultural. We can now stretch ourselves from South America to Japan. That is our advantage. We must exploit this advantage. I fear that some people do not understand this properly. You know, I received a letter the other day. I have it here. It is from a Croat and citizen of Croatia—given what you said in one of your interviews that most Croats are for Bosnia-Herzegovina. He said: You are making a mistake; we are all in favor of it. So, everyone supports it and the Federation. Sometimes it is not clear to me, believe me, why this is not moving forward. We have launched ourselves into a project in a serious and sincere way. This is a project for the survival of Bosniaks and Croats in Bosnia-Herzegovina and one that means a lot to Croatia. I would like things to get better from now on.

[Merlic] Mr. Silajdzic, thank you for this interview and for the truly valuable observations. I just want to express the wish on my behalf, and on behalf of our whole team, that 1995 brings us all success and not failure, light and not darkness, in all the plans about which we have spoken.

[Silajdzic] Allow me to wish everyone all the best for the New Year.

[Merlic] Thank you. We wish you all the best for the New Year as well. Thank you.

Silajdzic Returns From Visit to Turkey

AU2912195294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Dec 94

[Interview with Bosnian Prime Minister Haris Silajdzic by (?Dalida Juma) on 29 December; place not given—recorded]

[FBIS Translated Text] [(?Juma)] Dr. Silajdzic, you have just returned from official visits to Turkey, Croatia, and France. Can you tell us something about your talks there.

[Silajdzic] I would only comment on the visit to Turkey, since the public has already been informed about the visits to Croatia and France.

Regarding Turkey, we have finalized, especially with the Turkish Government, with Prime Minister Ciller, a deal on the import of 13,500 metric tons of oil. [words indistinct] arrangement. The delivery should start any day. We have also finalized some agreements on the delivery of a fairly large amount of flour, edible oil, and sugar at a wholesale price in Turkey.

We also discussed with the Turkish Government an issue that we cannot solve as there are technical problems, namely the use of the Turkish satellite. We asked for one hour of the 17 hours of the Turkish satellite program; we asked for an hour—at least after midnight so that we can inform our people, especially in Germany, Austria, and Switzerland, about the events in Bosnia-Herzegovina.

We want to break the information blockade that has lasted three years. However, the fact is that there are

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technical problems. There will probably be a meeting of the two television networks' technical staffs to try to resolve this finally.

Of course, we also discussed political issues. Knowing that we already enjoy Turkey's support, we asked for even more support, and we hope, of course, that we will receive it.

This is all.

Ljubijankic: Victory To 'Definitely Come'

AU2912201994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 29 Dec 94

[FBIS Translated Text] For the first time in our history, we are a diplomatic, military, political, and state factor in Europe. This was stated by Bosnia-Herzegovina Foreign Minister Irfan Ljubijankic for BH PRESS today.

He stressed that this was the honor that belongs to this generation. The price paid is measured in hundreds of thousands of lives, and these lives are built in the foundation of this state. Minister Ljubijankic stressed that he expected further strengthening in 1995, a better organization of the state, the strengthening of the Army, and the start of production.

I believe in victory. Whether this victory will come in 1995 or in the future years is important, but not crucial. What is important is that the victory will definitely come, and that is awaiting us. We have the deeds on Bosnia-Herzegovina, Karadzic does not. This was stated by Bosnia-Herzegovina Foreign Minister Irfan Ljubijankic at the end of his statement for BH PRESS.

Constituent Assembly To Convene 16 Jan

AU3012103494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 30 Dec 94

[FBIS Translated Text] The next session of the constituent Assembly of Bosnia-Herzegovina Federation will be held on Monday, 16 January 1995, beginning at 1200, in the building of the constituent assembly in Sarajevo, the cabinet of Mariofil Ljubic, chairman of the constituent assembly of the Bosnia-Herzegovina Federation, has reported.

Serbian Assembly Splits Along Party Lines

LD3012102094 Belgrade TANJUG Domestic Service in Serbo-Croatian 0207 GMT 30 Dec 94

[FBIS Translated Excerpt] Sarajevo, 30 Dec (TANJUG)—The people's assembly of the Srpska republic has split along party lines for the first time after almost three years of war, SRNA reported today.

Seven deputies left the Club of Serbian Deputies and established a Club of Independent Deputies, SRNA said.

Milorad Dodik, a deputy from Laktasi (near Banja Luka), has been elected chairman of the new club. Other members are Momo Micic from Tuzla, Nikola Peric from Obudovac, Uros Gostic from Doboj, Milenko Panitic from Bosanski Brod, Stanko Pantic from Modrica, and Ratko Borkovic from Bosanska Gradiska.

All members of the new deputies' club are former members of the Alliance of Reform Forces (established by Croat Ante Markovic, prime minister of former Yugoslavia) and the Social Democratic Party of former Bosnia-Herzegovina, SRNA said. [passage omitted]

Radovan Karadzic, president of the Srpska republic and chairman of the Serbian Democratic Party [SDS] of Serbian lands, said that the deputies of the ruling SDS would have to return to party activities even though they had decided to avoid this until the end of the war. "The SDS is blamed by the people for all failures and everybody wants to claim the succeses. I believe that nonparty behavior during the war is a great advantage. However, as in other assemblies, our deputies have now decided to behave according to their party affiliation," Karadzic said. He is of the opinion that, in principle, the parliament has not been split. Pointing out that people have a right to their own ideas, including "left-wing opinions" he stressed that "no harm has been caused by this act."

Momcilo Krajisnik, president of the people's assembly of the Srpska republic, said that he was sorry that the Club of Serb Deputies had split but he pointed out that such a move was envisaged by the regulations of the assembly's proceedings.

"The group of deputies, who have of their own initiative been in contact with officials in Belgrade, has aspired toward independent decisionmaking within the Serbian assembly. I am not happy with their decision because it is an introduction of party struggles at the time when we are building our state. However, this should not be regarded as a major problem," Krajisnik said. [passage omitted]

Serbian Deputies Call for Seselj's Release

LD2912174294 Belgrade SRNA in Serbo-Croatian 1647 GMT 29 Dec 94

[FBIS Translated Text] Sarajevo, 29 Dec (SRNA)—The deputies' club of the Serb Democratic Party of Serb Lands has proposed that the assembly of the Serb republic appeal to Republic of Serbia President Slobodan Milosevic to use his constitutional rights and release federal deputy Vojislav Seselj, as he did in the case of Serbian Renewal Movement leader Vuk Draskovic.

A statement for SRNA, provided by the Srpska republic information ministry, says that the deputies expressed belief that "Seselj's return would lead to the consolidation of trust in democratic institutions and considerably contribute to a final intranational reconciliation."

The assembly will discuss the above proposal in the course of the session in Pale today.

Because of an incident in the Federal Assembly, Seselj was given a one-month prison sentence, but this was later extended to three months.

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Zagreb-Belgrade Highway Traffic 'Normal'

LD2912181694 Belgrade TANJUG in English 1809 GMT 29 Dec 94

[FBIS Transcribed Text] Knin, Dec. 29 (TANJUG)—Serb Krajina and Croatian officials on Thursday said after a meeting that the traffic on the Zagreb-Belgrade highway was normal and could soon become busier.

Serb Krajina Acting Interior Minister Nebojsa Pavkovic and Croatian Deputy Interior Minister Josko Moric met at a border crossing in western Slavonia.

The two sides at the meeting agreed that many points had been clarified as well as certain technicalities regarding the reopening of the highway, which is in their mutual interest.

The Zagreb-Belgrade highway, running through the territory of Serb Krajina, was reopened on Dec. 21 in keeping with an agreement on economic relations signed in Knin and Zagreb on Dec. 2.

The highway had been closed in the summer of 1991, after Croatia launched a war of secession from the former Yugoslav federation.

Serbs in Croatia set up their own state, the republic of Serb Krajina, in 1991, after the outbreak of Croatia's war of secession and the removal of Serb national rights from Croatia's Constitution. The town of Knin is the capital of Serb Krajina.

The territory of Serb Krajina was placed under United Nations protection in March 1992. UNPROFOR troops were deployed in Serb Krajina to maintain peace until a political solution was found to the conflict between Knin and Zagreb.

RSK President on Relations With Croatia

LD2912184894 Belgrade TANJUG Domestic Service in Serbo-Croatian 1022 GMT 29 Dec 94

[FBIS Translated Text] Knin, 29 Dec (TANJUG)—There can be no question of the reintegration of the republic of Serb Krajina [RSK] into Croatia because the people will decide the future of Krajina, RSK President Milan Martic has said in an interview for TANJUG.

Asked how he assesses the process of the negotiations so far on the normalization of relations between the RSK and the Republic of Croatia, Martic replied:

"With the mediation of the international community we signed an agreement that the negotiations with Croatia should take place in three phases. The first phase was the agreement on a cease-fire signed on 29 March 1994 in Zagreb, and the first part of it was mainly respected. The next phase was the negotiations on economic matters and these are in progress. The third phase should be political negotiations. However, I profoundly believe that Croatia did not enter into all these negotiations because it wanted to. It was more the wish of the sponsors, primarily Germany, and also the United States and others, who pushed it into doing this. I believe that the negotiations entered into by the Croats have never been sincere up till now."

We have now entered into the phase of talks on the economy and signed a package that would mean that Krajina could not lose out if it is respected, Martic said and added:

"Everything which is being signed and which is being realized, if Croatia does not respect it, can be stopped by us. The keys to the oil pipelines, the electricity supply lines, the water supply systems, and the highway are all in our hands. However, we wanted to show the world that Krajina is not the one hankering after war and prove that we are a people that were forced into the war in order to ensure our biological survival in these areas. We want to end the war with our enemy the Croats in a peaceful way, through negotiations, because we believe that all the facts are on our side—the historical facts and the legal and practical aspects—so that our arguments can bring us through these talks as the victors," Martic stressed.

"Even now, when we have entered into economic negotiations—although according to some kind of timetable we should have waited until the first phase was respected, until the Croats withdrew their forces—we agreed, even in these circumstances, to enter into the talks on economic matters to show the world once again that we are for peace," Martic stressed.

He said that as regards the highway they had reports "that Croatia has covert support for aggression from Germany primarily, and also the United States, if we do not sign. We decided to make a rational move and to respect and sign this agreement in order to thwart this last trump card of the Croats for aggression."

Martic believes that "after this the Croats ought to make certain moves. Besides correcting the route of the highway [as received], which they interpret in their own way, they should deliver to the RSK parts for the generators of the Obrovac hydroelectric plant; only after this will steps be taken to get the water supply system, the electricity supply network, and the oil pipelines working; but at the same time, they ought to fully respect the first phase, i.e. they should demobilize their forces and withdraw them from our border—and there are currently about 60,000 of them. Then we could switch some of our forces, our army, to the production process and live normally."

I believe that by making this move we have made considerable gains on the international level and arrived at a point at which we cannot make further concessions, Martic observed and continued:

"The Croats are using this in their own way to show that Krajina in practical terms is already reintegrated. But my message to Croatia is that there can be no question of

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reintegration. The third phase of political negotiations, which I myself will lead personally, is about the fact that only the people will determine the future of the people in Krajina, in accordance with the basic right, guaranteed by the UN, of a people to self-determination and to state with whom it wishes to live and how. I will absolutely respect this and will never deviate from this. And my personal stance is that I would never live in Croatia."

Asked about the existence of an alleged list of people from the RSK who are banned from passing along the highway through Croatia, Martic replied that such a list does not exist and has not been sent to UNPROFOR [UN Protection Force].

"The Croats know that if they were to send such a list, at that very moment we would issue our list and then the highway would most probably not be able to be used by anyone in the government or the leadership, nor some other people. They are talking about this list more for reasons of their own internal stability," Martic said.

"We have a command center in Okucani for monitoring the use of the highway and we want to see it fully normalized, and that there is equal access for both sides. After all, were this not the case, then the Croats would certainly not be able to use this highway either," Martic believes.

This is why, Martic stresses, we are trying "to assure our people that they can use the highway, and I believe that over the coming days this road will be used to a greater extent not only by RSK traffic, but by all other traffic, including our other Serb states, Yugoslavia, or rather Serbia and Montenegro, and the Bosnian Serb republic."

Speaking about the latest Croatian armed actions around Grahovo that threaten the RSK, Martic said "the final goal of the engagement of the regular Croatian Army in the area between Kupres and Grahovo is to bisect the RSK; through this action Tudjman wanted to assist Alija Izetbegovic because of the situation around Bihac."

There is a firm promise, Martic said, "given by co-chairmen Owen and Stoltenberg, UN Secretary-General Butrus-Ghali, and his special envoy Akashi, that the situation will be resolved by the Croatian Army withdrawing from the areas it has occupied. To be honest, I do not trust them at all: The people whom I have just mentioned will not fulfill their promise, nor will the Croatian Army withdraw."

Martic stressed that the RSK would assist its brothers in the Bosnian Serb Republic as before. We are the same people, we are also bound by the Prijedor 1992 Declaration to assist each other. If the Croats and Muslims can join forces against the Serbs and the international community considers it justified, then I am not interested in how justified the international community considers our mutual assistance. We will do so without fear of anybody."

The RSK president particularly stressed that the Croatian aggression on Mt. Dinara brought into question all the economic and cease-fire agreements.

"If the Croatian forces fail to withdraw from that area and from the RSK borders, it will mean they attach secondary importance to the entire peace process. But I hope that after our diplomatic moves, about which the international community has been informed, nobody will be able to blame us any more for causing a new conflict."

Asked about the continuous threats by Croatian President Tudjman, Martic said that the RSK was already used to this, because Tudjman appeased opposition parties and citizens in that way.

"We are against war, we are for peace, but if we find ourselves in a situation in which we have to defend ourselves, we will most definitely retaliate with all means at our disposal, and will not ask Franjo Tudjman whether he would like to receive a blow somewhere or not. Tudjman's intention was that in the course of his aggression we should start bombing Dalmatian towns—Zadar, Sibenik, and Split. And all this for the simple reason that he is having a hard time now mobilizing anybody living in those towns."

It is well-known, Martic said, that "Dalmatians are not in favor of fighting and Tudjman is slowly loosing his backing in Dalmatia, because people have become aware that nothing can be gained through fighting, that much more could be achieved now if Krajina is recognized and we live in peace. There is a slogan in Split which says :'I would not sacrifice my son even for two Knins'; practically speaking, Tudjman cannot mobilize a single unit from there that would be ready to take part in the occupation of Krajina. But he would be very sensitive if Zagreb or some other city were under threat."

However, even though we are not yearning for war, Martic said, "if we find ourselves in such a situation, we will try to avoid attacking the Dalmatian towns, as we have received messages from eminent people living in these towns, who wish to make peace with us. On my part, I would absolutely respect that; if Tudjman has the power, let him mobilize people from Zagreb or from his Zagorje, not Dalmatians who have a completely different mentality and would refuse to fight."

If a fresh Croatian aggression is launched, Martic said: "We will strike against Zagreb, which nobody will be able to protect. Therefore, I would like to tell the Croatian people that the best thing for us would be to live in peace, that Croatia should recognize the RSK as a sovereign state, and after that we will live as good neighbors, appreciating each other and developing all relations—bilateral, trade, economic, and all other relations."

I believe, RSK President Milan Martic said at the end of his interview to TANJUG, "that the Croatian people

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care for peace, that they have had enough of war; in that way both sides can achieve much more, and there is no reason to fight any more."

Government Presents Defense Doctrine, Plans

AU3012101194 Zagreb VECERNJI LIST in Serbo-Croatian 19 Dec 94 p 6

[Unattributed "exclusive" report: "The Main Goal Is To Defend Independence"]

[FBIS Translated Text] Within their annual exchange of military information, the OSCE members have for the first time presented extensive documents on defense planning. Croatia also presented its data and plans in an extensive and balanced manner, in a document comprising 16 pages.

In Croatia's document, the second and third articles, entitled "Defense Policy and Defense Doctrine" and "Armed Forces Development Planning," were the subject of particular attention of the strategists. The remaining three articles deal with listing the data on earlier defense expenses, the military budget for 1994, and the last article consists of three tables comprising detailed itemized data on how much was spent in 1992, 1993, and 1994.

There Can Be No Cheap Defense

This list was made in accordance with the rules adopted by the UN 15 years ago, and it includes all the countries in the world, so that our table also has an item relating to expenses for nuclear warheads and bombs (which is, naturally, blank). The defense expenses are divided into three categories (operational level, purchasing and production, research and development), and for each it is necessary to state how much was spent in the strategic forces, the land forces, navy, air force, administration and commands, para- military forces, military aid, how much remained unspent, the total amount, and, additionally, expenses for civil defense. The "unspent" column for all the three years says "N", which stands for "nothing", meaning that everything was allocated and spent. As a rule, other countries usually have some money unspent, but Croatia cannot afford such luxury.

The second article in the Croatian report states the basis of defense policy (strategy) and the defense doctrine, the defense planning procedures, and the issues concerning serving in the Croatian Armed Forces.

It is pointed out at the very beginning (according to the unofficial translation of the document) that:

"The aim of Croatian security policy is to preserve the freedom, territorial integrity, and national independence of the Republic of Croatia. The aims of our defense policy are to secure the freedom of independent actions and/or, in cooperation with other democratic countries, facilitate the development of our society in the political, economic, cultural, and all other aspects, in all the possible situations and using the methods we consider the most appropriate, in accordance with the highest international standards. The main characteristic of our security policy, which we conduct independently and in cooperation with other interested parties, is providing support to alleviating the tensions and achieving disarmament and democratic development and cooperation in the areas of Central and Southeastern Europe."

The Six Tasks of the Croatian Army

Then follows the statement concerning the defense doctrine, which assigns six tasks to the Croatian Army:
1) Defending the territorial integrity of the Republic of Croatia in peacetime and periods of tension;
2) Warding off sudden attacks during periods of tension;
3) Organizing defense and breaking invasions;
4) Liberating the country and throwing out the aggressor;
5) Organizing formations for peacekeeping operations;
6) Training for and employment of military formations in natural disasters.

International and internal political functions are determined only in the fifth and sixth tasks. It is stated that the Croatian Army formations can be employed in peacekeeping tasks, but only at the request of the UN or the OSCE; they will rank as company or battalion, exclusively on a volunteer basis, and all this will be regulated by law. The Croatian Army has no such internal political tasks as the JNA [Yugoslav People's Army] did in preserving the socialist self-management regime, except the significantly humanitarian one, such as helping in natural disasters. At the request of the UN, OSCE, or a country suffering a disaster, the Croatian Army troops may help, but only following the order of the president of the Republic.

The third article relates to the armed forces development planning, and it talks about the Croatian Army structure, the details concerning training, and the acquisition and production of weapons.

The Defense Sufficiency

In the Croatian Armed Forces development planning the specific position of the Republic of Croatia in relation to other European countries living under the condition of complete peace is emphasized, and the necessity for reaching a certain degree of defense sufficiency announced.

The third article provides a review of the structure of the Croatian Army according to the classical scheme of division into navy, air force and antiaircraft defense, and land forces, determining their main duties in defense, in which particular attention is paid to the Home Guard as a traditional Croatian form of military defense organization.

In planning for the future, obviously from the point of view of the country in conditions of complete peace, four aims are pointed out:

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1) Balanced structure, which guarantees the desired mobility and flexibility and results in lower expenses and increased efficiency;
2) Achieving a high degree of quality of the formations and weapons, in order to achieve the necessary degree of defense sufficiency;
3) Increasing the degree of training for peace operations under the UN or OSCE mandate;
4) Increasing the degree of safety of the population in the temporarily occupied territories (mine clearing and removing other potential dangers in order for the normal life of civilians to resume as soon as possible).

At the end of the third article, according to the demands set in Paragraph 16 of the 1992 Vienna Document, there is a short description of the training of the members of the Croatian Armed Forces for serving in the Croatian Army and international peace missions. Finally, on the subject of supplying and production of ammunition and equipment, it is stated that Croatia relies on its own production, limited by the defense budget. In the future the emphasis will be put on defense systems, particularly antiaircraft, antiarmor, antimissile, antiship, and antimine equipment.

[Box, p 6]

The 1994 Vienna Document

This year's Croatian report on the process of exchanging military information is the last in accordance with the 1992 Vienna Document. With the beginning of 1995 the regulation called the 1994 Vienna Document will be in force. It contains stricter rules and new procedures for introducing measures of trust and safety in the military aspect.

The new "regulation" was adopted on 23 November in Vienna, and it states, in nearly 60 pages and in 10 articles, what each OSCE member is to do.

The first is the regular, annual exchange of military information. The second article concerns the lowering of the risk of confrontation, and the third and fourth articles concern military contacts and preliminary information on certain military activities. Subsequent articles deal with the surveillance of such activities, submitting annual exercise plans, the limiting measures for military activities, and the rules of observing and checking the obligations taken on. The final articles concern the system of communication among the members and the regulation concerning the regular annual meeting, at which the implementation of the obligations each country took on will be assessed.

Granic Views Positive Results in Foreign Policy

AU3012110694 Zagreb VECERNJI LIST in Serbo-Croatian 25-26 Dec 94 p 10

[Interview with Mate Granic, Croatian minister of foreign affairs and deputy prime minister, by Marina Seric; place and date not given: "Milosevic Promised To Oust Karadzic"]

[FBIS Translated Excerpt] 1994 will certainly be remembered as one of the important years in the history of Croatian diplomacy for during the last twelve months it has been more active in foreign policy than ever before. Considerable efforts have been made to establish contacts with a large number of countries all over the world, so that it can be said that Croatia is present in almost every part of the world in some way now. A big step forward has been made in the preparations for Croatia's participation in European integration. Croatia has also entered the system of international financial institutions and it has become an important foreign policy partner, too. Two weeks ago the resolution that confirmed that the UN Protection Zones are occupied territories was adopted, which was another extremely important step toward the reintegration of one-fourth of the [Croatian] territory into the constitutional system of the Republic of Croatia.

We talked with Mr. Mate Granic, the minister of foreign affairs and vice prime-minister, about Croatian foreign policy and about the things the Croatian diplomacy will be confronted with in the forthcoming year.

[Seric] What has been done in a year is usually summarized at its end. How do you assess the results that the Croatian foreign policy has achieved in 1994?

[Granic] I would say that the Croatian foreign policy has been characterized by several important processes. The first, a very important one, is the process in the United Nations and the UN Security Council which was completed with the Resolution About the Situation in the Occupied Croatian Areas, which was recently adopted by the UN General Assembly. It must be pointed out that this document, which required many efforts and visits to New York, including also President Tudjman's visit, finally defined—from the formal and legal point of view—the UN Protection Areas as occupied areas of the Republic of Croatia. The UN Security Council Resolution No. 815 was the first one to openly refer to the territorial integrity of Croatia, and Resolution No. 871 referred to the [causal] connection between Belgrade and the situation in the UN Protection Areas. The latter resolution clearly stated that Belgrade was responsible for that situation. In other words, we finally achieved the legal definition of our sovereignty and territorial integrity. Apart from that, it was clearly stated that the UN Protection Areas were occupied. Although this resolution does not have executive power, it creates the prerequisites for the final reintegration.

I would also like to point out another extremely important event—the signing of the Washington agreement, for which the Republic of Croatia and its diplomacy are to be given credit. This agreement not only finally defined relations between the Croats and Muslims in Bosnia-Herzegovina but also the relations between the Federation of Bosnia-Herzegovina and Croatia. After this document had been signed, clashes ceased, prisoners-of-war were released, communications opened, and

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the process of reestablishment of mutual confidence started. This document is proof that the world, Europe, the United States of America and a large number of Islamic countries do not want an Islamic state in this region, in Europe. They made it clear to us that they wanted a federation between the Muslims and Croats in Bosnia-Herzegovina.

It is important to mention that Croatia has in this year made a big step into Europe, which means that there are no longer any impediments for joining the PHARE Program and the European Council. It is also important that we signed a "stand-by" arrangement with the International Monetary Fund and that first loans are already being granted by the European Bank for Reconstruction and Development and by the World Bank. Numerous other countries are also opening the possibilities for loans and guarantees for loans, beginning from Germany to Spain, France, and Scandinavian countries. Croatia has also strengthened its relations with the Islamic world and it is regularly present as a guest in the meetings of the Islamic Conference Organization.

It must be said that we have made efforts to improve relations with all neighboring countries and other geographically close countries such as Turkey, Greece, Albania, Romania, Bulgaria, Hungary, and Italy, with which several agreements are being negotiated now, including the agreement about the protection of minorities. There are problems only with Slovenia. In the latest meeting, in Brdo near Kranj, a high level of agreement was achieved about numerous issues, but after that—I dare say because of the antagonism within Slovenia and the unrealistic requirements and expectations of its people as well as because some one-sided Slovene acts—negotiations came to a standstill.

The problems are well known to the public—the Bay of Piran, four villages in the border area, "Ljubljanska Banka" bank, and the nuclear power plant in Krsko. It is our strategic interest, however, to promote relations with Slovenia; we want to develop friendly relations, and I believe that a solution will be reached in 1995, either through negotiations or through arbitration. If both sides agree that a certain issue has to be solved through an international court, I think that such a civilized solution should not be avoided.

Bosnia, with the Washington agreements, the development of relations with neighbors, joining in European integration as well as the European and international financial institutions, and—finally—the definition of the status of the occupied Croatian territories—these have been the main directions of Croatian foreign policy. It should not be forgotten that there is almost no chief of state we have not met, not a state we have not had contact with; we met some important foreign ministers as many as 10 times. President Tudjman met the U.S. President, Mr. Bill Clinton, three times.

This year is also characterized by the visit of the Pope to Croatia, which is an important sign of recognition of both the Croatian state and the Croatian Catholic Church. I had the honor to talk to the Pope before the Washington agreement was signed, and it is certain that his attitudes had a significant influence on the conclusion of that document.

In 1994 we also established relations with developing countries, which certainly had a positive influence on the voting in the UN General Assembly when the resolution about the Croatian occupied areas was adopted. Generally speaking, 1994 has been a very active and successful year from the point of view of foreign policy. [passage omitted]

[Seric] There is an especially difficult and painful issue—the issue of the reintegration of the occupied territories. It is connected with the UN Protection Force mandate. It seems that—especially after the economic agreement with the Serbs from the UN Protection Areas was signed—the process began to attenuate and that—despite the wish of the UN Secretary General, who said in the CSCE summit conference in Budapest that the agreement was a kind of "positive bait" which should also be swallowed by those who had not agreed to any agreements yet, nothing is happening, except that the highway between Zagreb and Belgrade has been opened, which also happened in a way which was not agreed.

[Granic] I completely agree with you that almost nothing has happened in connection with the implementation of that agreement. I consider the opening of the Zagreb-Belgrade highway a positive event, especially if everything that has been agreed is respected, too. We have received the information, however, that they want to change some of the stipulations of that agreement and that they require new conditions for its implementation. Croatia, which has signed the cease-fire and economic agreement together with the international community within the comprehensive peace process, cannot accept this. All this, apart from the events in Bosnia- Herzegovina and in some of the occupied areas, shows that the UN Protection Force has been completely inefficient. Unless it comes to the implementation in the coming weeks and unless we get a completely clear plan from the international community for the reintegration of the occupied areas, that is a plan for a local autonomy acceptable for Croatia, we shall not extend the UN Protection Force mandate. The Croatian Parliament, the people, the Croatian president and the government agree about it. The coming days will play a decisive role in the search for a final solution to the reintegration of the occupied areas. Apart from that, only a strong Croatia can be a guarantee for the reintegration [of the occupied territories] and for a just solution to Bosnia- Herzegovina.

[Seric] In this context the question arises of what will happen with Bihac since this problem is directly connected with the problem of the occupied territories because there is intense military activity against the Bihac pocket from the Croatian territory. You have

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personally protested against the violation of an international border, but the international community has not done anything. How do you interpret this waiting and hesitation of the international community?

[Granic] It has to be clearly stated that the 5th Corps action for the liberation of a part of the Bosnian territory, which was warmly welcomed by the public, both international and Croatian, did not have sufficient logistical support. The Serbs from Bosnia- Herzegovina and from the UN Protected Areas, logistically supported from Serbia and by Abdic, launched a fierce attack against Bihac with the aim of putting the whole territory of western Bosnia under Karadzic's control.

This was the violation of basic international documents, primarily the UN Chart, regarding the territorial integrity. The aggression on Bihac, on another sovereign state, was made from a UN Protected Area. That is the reason why we sharply protested and required an urgent UN Security Council session with the requirement to protect the Croatian territory and its borders. In that situation—in which we coordinated all our activities in the UN Security Council, the CSCE, the Middle European Initiative and the Islamic Conference Organization with the government of the Republic of Bosnia-Herzegovina and the Federation of Bosnia-Herzegovina—we first required that the Croatian border be protected. At a particular moment we were even ready to protect our borders with our army, but we received suggestions from the United States and from several important European Union countries to restrain from a military intervention since they would help avoid aggression against Bihac through the UN Security Council and NATO. NATO was not efficient enough, however, and the UN Protection Force showed that it was completely inefficient. Although there is certain criticism, it must be stated that Bihac was helped most by the Croatian Defense Council and by the Republic of Croatia, primarily through the Kupres and then through the Livno action, which is still going on with the legal logistical support of the Croatian Army and its presence along the border.

Croatia helped Bihac as much as it could, not only at the diplomatic level. This enabled the situation in Bihac to stabilize. The Croatian Defense Council is fighting there as much as it can together with the Army of Bosnia-Herzegovina. This means that Croatia respected the obligations from the Washington Agreement and from the agreement about friendship and cooperation with Bosnia-Herzegovina, initiating at the same time several international diplomatic actions. France, England and Russia decided thereafter to play the card of a powerful Serbia in Bosnia-Herzegovina, respecting at the same time, however, the territorial integrity of the Republic of Croatia and its right to reintegrate its occupied territories.

Milosevic—who made a marvelous maneuver by closing the border [to Bosnia] thus seemingly supporting the Contact Group plan, since the border is effectively closed only at those places where the scarce observers are situated—succeeded in achieving two results. Apart from the partial removal of the sanctions, which was already effective, he made the Contact Group ministers discuss the possibility of proposing an exchange of territories and the so- called hard separation in case it comes to a cease-fire.

U.S. attitudes are not completely clear yet, because beside the government and President Clinton, there is also Congress. In certain institutions of the U.S. government there are various opinions about what Bosnia-Herzegovina should be like in the end and about the final solution. What the United States of America is supporting is the federation between the Muslims and the Croats. The U.S. government and the Congress agree on it. The European Union and the complete Islamic world agree with this solution, too, and, I would say, the Catholic Church as well as the neighboring countries, and this is the basis of our policy: We support a strong federation, its firm connections with the Republic of Croatia, and the Contact Group plan, until a confederation [of Bosnia- Herzegovina] is reached whose substance will be defined when it is known how the Muslim-Croatian Federation will be connected with the Bosnian Serbs.

Final solutions to Bosnia-Herzegovina and its political structure can hardly be predicted now. Milosevic is promising to the West that he will oust Karadzic. Jimmy Carter came, although the whole world was against this visit at the beginning, including the U.S. administration. The cease-fire agreement practically helped Karadzic because it returned him to the political scene from international isolation. Since an outcome is hard to predict, it is important that our attitudes and aims remain clear. They include the strengthening of Croatia, the reintegration of occupied territories, and the firm support of Washington agreements. This is our basic attitude. Naturally, Croatia will never enter any kind of association with Belgrade.

[Seric] Since your preceding answer was very complex, we must conclude that there is a close connection between the events in Croatia and Bosnia-Herzegovina. Let us go back to the problem of the occupied territories, though. If it does not come to the implementation of the economic agreement with the Serbs from the occupied territories, and the date by which this should happen is very close, Croatia will cancel the UN Protection Force. What could the situation be like after the UN Protection Force has left Croatia?

[Granic] President Tudjman spoke about this problem in his address to the nation. The Croatian Parliament will discuss this problem, too. It is very probable that Croatia will cancel the UN Protection Force.

I would like to say frankly that the UN Protection Force is now virtually protecting the rebel Serbs. International humanitarian organizations feed them and Belgrade

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supplies them with weapons and gives them other military help. Therefore they can refuse to negotiate about a peaceful reintegration, which is for both Croatia and the world the most acceptable solution. If Croatia cancels the UN Protection Force, however, and introduces stricter controls at all points along the front-line, it is quite certain that the situation will deteriorate for the rebel Serbs. This does not mean that a new big war will break out, but nobody is entitled to impose measures on Croatia with which it will establish full control over its borders.

[Seric] This means that there will no longer be negotiations with local Serbs unless the economic agreement is implemented. Is this the end of a negotiating process?

[Granic] It is quite certain that there will be no more talks, with the present leadership at least. It is still uncertain what will happen in the future. In any case, Croatia as a legitimate state will not give up the right to establish control over its occupied territories. The peaceful way would be the cheapest.

[Seric] There have been signals in the Belgrade press during the last several days that Seselj's Radical Party members are accusing Babic and Martic of betraying the idea of a greater Serbia and of their orientation to Croatia.

[Granic] Croatia is ready to fully respect the ethnic Serbian community as well as all other minorities that live in Croatia according to the Constitution and according to the best European standards—I mean some concrete models created in compliance with the Council of Europe standards for the protection of minorities. A court for the protection of human rights will be established according to the Croatian constitution, with international participation, though.

Croatia is ready for a full reintegration [of its occupied territories], both economic and social. It is also ready to use a part of the loans received from the World Bank and other financial institutions for investments in these regions. Croatia is also ready to fulfill all requirements of the Badinter commission regarding international supervision, either through permanent CSCE or European Council missions. In any case, Croatia is ready to grant local autonomy to 11 communes, but it is not ready to allow them to establish a state within a state. We do not want to discuss anything but a gradual reintegration of these regions into Croatia. This is our attitude.

In the negotiations with Belgrade Croatia made it a condition for any agreement about the normalization of relations that it be recognized [by Serbia] within its internationally recognized borders. It is a strategic need to normalize relations with Serbia not only for us but for Europe and the whole world, but on the basis of a strong Croatia as a counterpart to Serbia.

[Seric] You met Vladislav Jovanovic, the minister of foreign affairs of the so-called Federal Republic of Yugoslavia, in November. It was announced that such meetings would be regular, but this was not the case. Do you see any possibility for a renewal of contacts with Belgrade in the near future?

[Granic] Lord Owen and Mr. Stoltenberg organized that meeting, which was held under the auspices of the International Conference on the former Yugoslavia and within the whole peace process. Since it is Croatia's main strategic aim to normalize relations [with Serbia] and its priority is to reintegrate the occupied territories, Croatia made very clear proposals about mutual recognition as the first step toward normalization, which would at the same time be a very clear signal for the Serbs from the UN Protection Areas that they are a part of Croatia and that they can look for solutions only there. Since this was not accepted, there were no reasons to organize a second meeting. A second meeting can be organized only if the economic agreement is implemented, and if the recognition of Croatia is discussed in that meeting. Otherwise such a meeting would not make sense.

[Seric] Do you see Croatia and Bosnia-Herzegovina as a kind of "bridge" between the West and Islamic countries?

[Granic] Bosnia-Herzegovina as an independent Islamic country could exist only as a radical state, and nobody wants this, not even the large number of Muslims who live in Bosnia-Herzegovina. In the view of a large number of this war's victims, it is clear that a strong federation is the only solution for the Muslims and the Croats of Bosnia-Herzegovina. What kind of relations the Federation will have with the Bosnian Serbs is difficult to say now. There is no dilemma about the exceptional importance of the Federation and its connections to the Republic of Croatia.

[Seric] Can you in the end tell us what the guidelines of Croatian foreign policy will be in the coming period?

[Granic] The basic strategic aims will not change, and they include the reintegration of the occupied territories and a final solution to the crisis in Bosnia-Herzegovina. By reintegration I understand that Croatia will take over control of the borders, that refugees will return to their homes and that life will become normal again. A third guideline is activities in the field of European integration processes with the aim of coordinating these complex tasks at all administrative levels.

Further, we shall still work on the promotion of relations with our neighbors and numerous other countries. We shall sign several new agreements with Italy, which means even better relations. Relations with Austria and Hungary are exemplary, especially in the field of economy, but they have not been sufficiently used as yet. It must be stressed that relations with Germany are developing very successfully, owing to frequent contacts with Minister Kinkel. Germany supported the opening

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of European organizations in Croatia—beginning from the PHARE Program [Economic Reconstruction Aid for Poland and Hungary] to the European Council and the European Union. Positive signals are coming now from Paris and London, too, so that I believe that we shall soon have a significant improvement of relations with France and Great Britain. We shall work on the promotion of relations with Bulgaria, Romania, even with Greece. We have good cooperation with Turkey. It must be said that Croatia will start negotiating with the Paris Club about the rescheduling of debts.

All this points to the fact that Croatia is becoming an increasingly reliable and significant foreign policy and economic partner. We intend to open several new Croatian embassies, in order to be able to protect our interests as successfully as possible. We have planned to open embassies in the Yemen Arab Republic, Nigeria, and Pakistan. After the occupied territories have been reintegrated, it will be our main aim to develop economic relations with the world.

We shall work on the more intense development of the Ministry of Foreign Affairs, including the education of the personnel and the foundation of a diplomatic academy, according to the Vienna model. Special attention will be paid to economic advisers. It has to be mentioned, however, that our Ministry already has a developed internal structure that relies on European experience; the control of work is very tight.

[Box, p 10]

PHARE in January

[Seric] It has been discussed for a long time now that Croatia will become a member of the European Council. There have been some obstacles to this membership, causing its postponement several times already. When can we expect Croatia to be admitted; have all the obstacles been removed?

[Granic] We are expecting the reports of the three European Council Parliamentary Assembly commissions, which decide on it, in January. The report of the legal experts is completely positive. We hope that the aforementioned reports, which will be discussed by the European Council Bureau and its Assembly in spring, will be positive, too. We expect that Croatia will be admitted in April or May 1995. We do not think that there are any further serious impediments.

[Seric] What are Croatia's chances regarding other aspects of European integration?

[Granic] I believe that we shall join the PHARE Program in January. After that, the negotiations about an agreement on trade and cooperation with the European Union will start. If all goes well, talks about associate membership in the European Union can be expected to begin in about a year.

[Box, p 10]

Croatia Will Join the "Partnership for Peace"

[Seric] What are Croatian chances of being admitted to the NATO Program "Partnership for Peace?"

[Granic] Croatia would like to participate in that program. There are more and more NATO countries that support this Croatian wish. The main obstacle is the fact that one-fourth of the Croatian territory is occupied. Everything shows, however, that Croatia will become a member of the "Partnership for Peace." The NATO Secretary General, Willy Claes, is a man who knows the situation in Croatia and in the whole region very well. He is very objective. We hope that this will help Croatia to join the "Partnership for Peace."

[Box, p 10]

Croatia in Western Alliance

[Seric] Presidents Clinton and Yeltsin kept on stressing in Budapest that it was necessary to restructure the European security system. Yeltsin even pointed out that a new plan could be discussed as early as in the next CSCE meeting in two years' time. How do you see the Croatian position within this framework?

[Granic] It was in any case visible that there were differences between the U.S. and the Russian view. This is the reason why Al Gore and Mr. Perry visited Moscow. The United States wants to enlarge NATO through various mechanisms, first of all through the "Partnership for Peace," and then through full memberships. On the other hand, Russia wants to be a U.S. partner, but even more than that it wants to be a strong power in its own region, with its interests reaching the Balkans and the Adriatic. The present preventive diplomacy and regional and global security mechanisms failed during the disintegration of the former Yugoslavia. The same is true of the UN mechanism, since it has not even been able to provide humanitarian aid. NATO has through its actions shown the weaknesses of its organization. Croatia sees its position in the Western Alliance, and Croatia is naturally ready to sign the European agreement on security and stability; it is also ready to accept regional mechanisms, too. The prerequisite for all this is—naturally—the establishment of full control over its complete territory and the end of war in Bosnia-Herzegovina. Another condition is that Serbia is a part of the agreement on security, because disarmament or reduction of weapons cannot be made on one side only.

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Serbs Continue To Be Denied Basic Rights

LD2912190194 Belgrade TANJUG in English 1851 GMT 29 Dec 94

[FBIS Transcribed Text] Skopje, Dec. 29 (TANJUG)—The problem of Serbs in The Former Yugoslav Republic of Macedonia [FYROM] is becoming increasingly serious because Skopje authorities have failed to deal with it in time.

President of the Association of Serbs and Montenegrins in FYROM Nebojsa Tomovic said this at a press conference on Thursday and expressed regret that problems were continuing to accumulate, instead of being settled through mutually acceptible solutions, tolerance and understanding.

Despite a promise given by Skopje authorities and mediating efforts by the Conference on Security and Cooperation in Europe (CSCE) and the United Nations, the Serbs are still being denied their rights in the field of education, constitutional status, access to media and freedom of religion, Tomovic said.

He described as deplorable the fact that the Macedonian church is using this festive period for a campaign to build its own church in the churchyard of the Serbian Orthodox church of Archangel Michael, which also includes a charnel house of Serbian fighters killed in World War One.

The Serbian Orthodox Church has been at odds with the Macedonian church ever scnce the latter proclaimed autocephaly in 1963, an act that has been opposed by all autocephalous Orthodox churches.

Serb associations in FYROM expect the republic's recently formed new parliament to finally put their problems on the agenda, in keeping with an understanding signed on Aug. 27, 1993.

The document, signed through U.N. mediation by FYROM Interior Minister Ljubomir Frckovski, recognizes some of the Serb rights that had earlier been denied.

Tomovic said nothing contained in the document had been implemented as yet and the U.N. had once more noted that the Serbs in FYROM were denied some of their rights.

International observers have also reported that the local authorities are preventing the opening of new Serbian-language classes in elementary schools, as well as the registration of the humanitarian organization Kolo Srpskih Sestara and the cultural society St. Sava.

Tomovic repeated an estimate that the Serb community in FYROM included around 250,000 people. FYROM authorities recognize only one-sixth of that number.

Authorities Deport 660 Illegal Albanians

AU2912150994 Pristina KOSOVA DAILY REPORT in English No 518 29 Dec 94

[FBIS Transcribed Excerpt] The FYROM [The Former Yugoslav Republic of Yugoslavia] authorities have deported 660 Albanians over the past six months, as they were not legal residents, reported today the Croatian Radio, quoting the FYROM Deputy Interior Minister Dime Djurev. Speaking at a press conference, Mr. Djurev has also stated that another 1,600 Albanians are to be deported soon for the same reason. [passage omitted]

Location, Numbers of Ethnic Minorities in Country

95P20306A Skopje NOVA MAKEDONIJA in Macedonian 27 Nov 94 p 2

[Article by K. Cangova: "Who, Where, and With Whom We Live: According to the Announcement of the Official Results of the Population Census of the Country"]

[FBIS Translated Text] The greatest concentration of the Albanian population is in Tetovo, Gostivar, Struga, Kicevo; that of the Turkish in Gostivar and Debar; of the Romany [Gypsy] in Cair, Prilep, Kumanovo, and Centar; of the Vlach in Stip, Bitola, Krusevo; and of the Serb in Kumanovo. There are no Albanians in Vinica, Kavadarci, Kocani, Kratovo, Kriva Palanka, and Probistip; no Romanies show up in Demir Hisar; and no Vlachs in Valandovo, Debar, Delcevo, and Kratovo. The most densely populated city is Skopje with 291 inhabitants per square km.

The initial results of the statistical count of the entire population in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia] are known. According to official data, 1,936,877 people are listed as inhabitants on the territory of our country. When citizens of the Republic of Macedonia who, according to their official place of residence, have moved from other locations, and those who have lived abroad for more than one year are added, there are 138,319 additional people, bringing the total to 2,075,196. The ethnic structure of those counted in the census in the country—in statistical terminology the resident population—is as follows: 1,288,330 Macedonians (66.5 percent), 442,914 Albanians (22.9 percent), 77,252 Turks (4 percent), 43,732 Romanies (2.3 percent), 8,467 Vlachs (0.4 percent), and 39,260 Serbs (2 percent). Another 34,960 people (1.8 percent) identified themselves as members of other ethnic groups, while 1,962 citizens (0.1 percent) did not designate any ethnic group. As far as citizens living outside the country's borders are concerned, the two largest groups are Macedonians (90,357) and Albanians (36,053).

The data emerging from the census made in 1994 show that the largest portion of the entire population in the country is concentrated in six opstinas [townships]: Tetovo with 174,748 inhabitants, Kisela Voda 145,955, Kumanovo 126,543, Karpos 125,756, Gostivar 108,189, and Bitola 106,012. The opstinas with the fewest inhabitants are: Demir Hisar 10,321, Makedonski Brod 10,912, and Kratovo 10,855. In the tables showing ethnic structure, one can note that in certain districts there are no members of certain ethnic groups. There are

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no Albanians in Vinica, Kavadarci, Kocani, Kratovo, Kriva Palanka, or Probistip; nor are there Romanies in Demir Hisar. As an ethnic group, the Vlachs do not appear in Valandovo, Debar, Delcevo, and Kratovo. The minimal presence of the aforementioned ethnic groups is noticeable in Berovo—one Albanian. There are seven Albanians in Strumica and nine in Delcevo; there is one Romany in Kriva Palanka; and one Vlach each in Strumica and Makedonski Brod, and two each in Berovo, Demir Hisar, and Kriva Palanka. One Turk has been registered in Kriva Palanka and five in Probistip. The fewest Serbs live in Demir Hisar—eight, while 14 Serbs live in Makedonski Brod.

The largest concentration of Albanians live in the western part of the country. The census registered 130,880 Albanians in Tetovo, 69,610 in Gostivar, 27,840 in Struga, and 26,310 in Kicevo. There are 45,637 Albanians in Kumanovo. In Gostivar, the census lists 13,565 Turks, which is the highest number for that group in an opstina, but there is also a concentration of the Turkish ethnic group in Debar, where 6,865 were counted. The largest number of Romanies were found in Cair—12,706, but they also live in Prilep—3,735, in Kumanovo—3,121, and in Centar—3,084. The Vlach population shows up in the Stip opstina—2,201, in Kisela Voda—930, in Bitola—922, and in Krusevo—899. The Serbs are most numerous in Kumanovo—11,612, while they are represented as a group in the Skopje opstinas: 4,885 in Kisela Voda, 4,290 in Karpos, and 4,025 in Cair. Other places where there are more than 1,000 Serbs are Tetovo—1,109 and Gevgelija—1,059.

The density of population in cities is also interesting. Of course, the most densely populated city is Skopje, where 541,280 people live on a total of 1,858 square km, or 291 inhabitants per square km. The population density (inhabitants/square km) of other cities is as follows: Tetovo— 160, Struga—114, Kumanovo—105, Debar—99, Strumica—93, Kocani—83, and Gostivar—79. The least densely populated cities are: Makedonski Brod—12, Resen—23, Demir Hisar and Berovo—24 each, Kratovo—29, Negotino—31, and Sveti Nikole - - 33. With respect to the country as a whole, which encompasses 25,713 square km, there are 75 inhabitants per square km.

[Box, p 2]

Skopje Has More Than 500,000 Inhabitants

According to the census, 541,280 people live in Skopje, or 28 percent of the total population. Of these, 354,377 or 65.5 percent are Macedonians, 112,914 or 20.9 percent are Albanians, 12,639 or 2.3 percent are Turks, 20,966 or 3.9 percent are Romanies, 2,229 or 0.4 percent are Vlachs, and 19,664 or 3.6 percent are Serbs.

[Box, p 2]

The Absent Ones Are Abroad

At the time the census was being taken, that is, June and July, 1,922,243 people out of a total of 1,936,877 were actually in the Republic of Macedonia. The remaining 14,634 were listed as people outside the country. In fact, this refers to citizens who reside in the republic but have been engaged in temporary work outside Macedonia for less than one year. This number also includes members of their families and citizens who work in diplomatic and consular posts abroad and so forth. Places listing the greatest number of people absent are: Tetovo—3,394, Struga—2,633, Gostivar—2,304, and Skopje—2,157.

Black Market Trading in Weapons

95BA0058A Skopje NOVA MAKEDONIJA in Macedonian 19 Nov 94 p 15

[Article by Saso Colakovski: "Suppliers of Fire"]

[FBIS Translated Text] *An enormous volume of firearms has poured into what was formerly Yugoslavia and in our country, as a result of the armed conflicts. Black marketing in weapons has long gone past the apparent objective of personal protection and safety of the citizens. Amnesty for the illegal owners of a "piece of metal?"*

A dark early-autumn night in a village in western Macedonia [The Former Yugoslav Republic of Macedonia]. Late at night, the occasional barking of a dog is the only sound disturbing the midnight quiet. That and the sound of the engines of the two police cars traveling fast along the small village streets. The cars stop in front of a broken door and the men of the law bang on the old door. There is silence on the other side. Suddenly, there is a pistol shot from one of the windows on the upper floor. There is confusion, the door is broken into, and on inside one could hear women shouting. The head of family, the father of the pistol-holder is trying to talk his son into dropping the pistol and not opposing the police. That is the only possible outcome. In searching the house, the police find several pistols, automatic rifles, and a large number of combat ammunition. Taking the detainee along, the police quickly leave the already awakened village. Fortunately, a bigger incident has been avoided.

This event is not a work of fiction but a true consequence of a number of police actions aimed at exposing black marketeering and forbidden ownership of firearms classified as "dangerous explosives." These actions are actively carried out in Radolista, a village in the Struga area. Recently, on several occasions, this village has been underlined in red on the police map of Macedonia and of the rest of the Balkans. Initially, it was an unavoidable stop used by Balkan drug traffickers and, of late, increasingly, one of the important rings and "bunkers" in the chain of the local arms trade.

Genetic Predetermination or...

For quite some time, and for a great variety of reasons, the Balkans have become a place in which a specific philosophy of life has developed, in which frequently the overview is seen through the sight of a gun. Actually,

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among others, according to one of our folklore specialists, the revolver and the dagger are intrinsic parts of our cultural and historical heritage. Furthermore, the word "pistol" has the largest number of synonyms in Macedonian common speech. Whereas this can no longer be described as the traditional love of weapons, it can be safely claimed that this cold "piece of metal" under the belt keeps the heart warmer.

Therefore, hiding behind the claim that a love of firearms is genetically predetermined, all of this legacy has surfaced and been used in armed confrontations in former Yugoslavia. Since then, huge amounts of weapons of all kinds have poured into our land. However, it is not a question merely of acquiring weapons for personal protection (which many people are claiming) but, above all, of an extensive import business worth millions. Thus, most of the detected cases in our country, one of which was last year's effort to organize Albanian paramilitary formations of a militant nature in Gostivar, merely confirm the view that the dimensions of such an organization which, unquestionably, includes black marketeering in weapons in greater amounts, has long gone beyond the transparent claim of personal protection and safety of the citizens.

Black Market Channels

Starting at the beginning of the final decade of the 20th century, when the situation began substantially to escalate, according to official records, the chronology of black marketeering in our country includes the following cases discovered by the Ministry of Internal Affairs: In 1990 the police blocked two channels for the illegal import of weapons; it eliminated five in 1991 and in 1993 as many as 17 black market channels or 26 cases of prohibited transportation and trade in firearms. This means the confiscation of about 60 automatic rifles, 10 semi-automatic rifles with optical sights (snipers), 20 automatic pistols of various calibers and models, explosives, hand grenades, and a variety of other explosives, as well as some 30,000 rounds of ammunition consistent with the calibers of the weapons smuggled into our country. There are no complete data for this year, but it is being said that the situation has not reached drastic dimensions but has remained on the same level as the previous year. This does not mean that the smuggling of weapons has come to an end. Over the past 10 months, five cases of illegal import of weapons were exposed in Skopje, involving 11 individuals, in the course of which three automatic rifles, eight pistols, and 500 rounds of ammunition were seized. Adding to this the so-called "secret number," which exceeds the known quantity by a factor of three to five, one could have an idea of the nature of the domestic weapons market.

The police have noted that the organized smuggling channels are operating in a very synchronized basis in terms of procuring and marketing weapons in Macedonia. A few years ago, most models of weapons were purchased most frequently from West Europe. Following the breakdown of Yugoslavia, the rich arsenals in Croatia, Bosnia and Herzegovina, and, naturally, Serbia, remained. This entire smuggling chain includes suppliers from Turkey, Bulgaria, and Albania. All of this is subsequently and profitably sold on the Macedonian illegal weapons market. What is particularly indicative is the well-known fact that a tremendous quantity of the smuggled weapons most frequently end up in the western part of Macedonia. Actually, the highest number of exposed individuals engaged in black marketeering and forbidden trade in weapons are citizens of Albanian nationality.

Illegal Price List

The prices fetched on the illegal weapons market smuggled into our country are known. In the case of automatic rifles introduced via Serbia, Albania, or Bulgaria (most frequently the Yugoslav or the Chinese version of the Russian Kalashnikov), their prices range from 1,000 to 2,000 German marks and the difference in price is determined by whether they are purchased "wholesale" or "retail." Also coming from Bulgaria are secondhand pistols, such as the Makarov and other Russian models, fetching prices ranging between $200 and $300. Depending on supply and demand, the price of a Scorpio, Colt .357, Beretta, Luger, Browning, and similar automatic pistols is dictated by the market, ranging between 1,000 and 1,500 marks. Currently one of the most sought-after pistols on the illegal weapons market in our country is the "Red Flag 99" (or the so-called short nine), whose price does not drop below 1,500 German "eagles." The cost of a "Kasikari" hand grenade, which became famous in the Bosnian war, is some 50 marks, and a round of ammunition, depending on the caliber, is between one and one and a half marks.

Obviously, pistols, revolvers, and other automatic weapons have become part of the folklore on the eve of the 21st century. Inevitably, the businessmen acquire arms and, frequently, so do politicians and ordinary citizens, and it is as though weapons have become a prestige status symbol. Weapons are fired at wedding ceremonies and at packs of dogs, and whenever a Macedonian soccer team scores a goal. No one thinks of the possible consequences. With increasing frequency, police weapons are being used (in two specific cases, in no more than two months, a minor girl and three young boys were wounded, luckily without any fatal consequences).

Of late, still unofficially but ever more vocally, one can hear talk of yet another amnesty for the illegal owners of firearms who, after official permission has been granted, would be able to acquire a weapons permit. This is one of the efforts on the part of the state to put such weapons under control and keep track of the dangerous weapons owned by the citizens. However, there will always be a place for illegal dealers in weapons to market their deadly goods.

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Federal

Lilic, Chief of Staff Perisic Address Officers

AU2912185094 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 29 Dec 94

[FBIS Translated Text] FRY [Federal Republic of Yugoslavia] President Zoran Lilic visited Batajnica Garrison and addressed the best officers of the Yugoslav Army there. Let us hear a report by Radovan Pantovic:

[Begin recording] [Pantovic] FRY President Zoran Lilic first expressed satisfaction at being able to congratulate the best officers of the Yugoslav Army for the excellent results achieved in their work and for the fact that the gathering of the best members of the Yugoslav Army has become a tradition and represents the peak of successful work in one year.

[Lilic] The conditions of life and work in the army as well as other segments of society in the past 12 months were highly inadequate and exceptionally difficult. This is why your results are all the better as they emerged from exceptional efforts, high professionalism, and the ability of our military, command, and scientific cadres.

I want in particular to point out at this festive meeting that, under the exceptionally complex conditions in the year that is almost behind us, the Yugoslav Army performed its most important strategic, operational, and tactical tasks successfully. In performing these tasks, your personal contribution is undoubtedly significant and you have reason to be very proud of it. You have demonstrated the best characteristics that should adorn our soldiers: Exceptional capability, initiative, creativity, and courage in work, in teaching, in leading, and in commanding your units. Earning the distinction of the best pupil, the best student, the best worker, the best expert, or the best commander in the Yugoslav Army in one year, particularly in so difficult a year as this one has been, was certainly not at all easy. It required much diligent work, much effort, and much self-denial. This is why your results are worthy of all respect and the respect of every citizen. They are on the same level as results that prominent individuals accomplished under the conditions of sanctions in the sphere of production, science, culture, sports, and arts. I may point out that, this year, noticeable results have been achieved in many spheres of social life. This speaks about the strength and vitality of our people and our state.

Thanks to the program of the reconstruction of the monetary system and the strategy of the economic recovery of the country that I always, on any occasion, want to mention, market trends in the economy have been strengthened in less than one year and realistic conditions created thereby to continue the commenced process of transformation of the Yugoslav Army. The focus lies on its further professionalization and the necessary modernization that was considerably limited by the overall possibilities of our country.

I must say, and I think that we may all admit, that we managed to set the foundations for an up-to-date, modern, and modernly equipped army whose basic goal and task is to defend the independence, sovereignty, and territorial integrity of the Federal Republic of Yugoslavia.

These are the real results of a one-year work, which include all the individual efforts exerted by people working in many spheres of social life. You yourselves also had a significant share in this common social success. This is why the honor of being proclaimed the best members of the Yugoslav Army in 1994 was bestowed upon you. I believe that you will justify this prominent distinction next year and in the years to come with even better and more-creative work.

The general social situation in the country and the appeal [as heard] to military-political currents in our close neighborhood and beyond do not permit us to relax in any way. On the contrary, you know that we are all expected to work even more and deny ourselves much more. Highly professional, highly operational, skilled, and, I would say, (?ethical) demands are placed before members of the Yugoslav Army today. I am deeply convinced that our army is trained and capable of performing the tasks given to it perfectly.

We are entering the new year, 1995, with more optimism both regarding the economy and the personal standard of living. We justifiably hope for peace on the territory of the previous [raniji] Yugoslavia and for the lifting of sanctions on the Federal Republic of Yugoslavia. We have invested huge efforts in attaining these goals. Therefore, better times for life and work in the Army are coming. The work and results of the members of the Yugoslav Army will certainly be able to be respected more objectively and better and will certainly be valued more. With this, I wish you and your families, as well as all members of the Yugoslav Army, a happy new 1995 and much success in your future work. Above all, let 1995 be a year in which peace will reign on the territory of the previous Yugoslavia to the common benefit of all of us. Let it be a year in which we will open the roads of development and stability of our country, our Federal Republic of Yugoslavia. Thank you.

[Pantovic] Chief of General Staff Colonel General Momcilo Perisic also congratulated the most successful members of the Yugoslav Army, pointing out that the results achieved are all the more significant for being achieved in a year of isolation and unprecedented military pressures and threats directed toward our country.

[Perisic] The military-political situation is still complex, although with the failure of Muslim offensives and the final realization of some Western countries that unjust solutions cannot be forced—with bombs and by the use of force—on our people who are fighting for their biological survival, the chances have increased for solving the crisis with political means along with comprehensive efforts exerted by our diplomacy.

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Due to all this, we particularly respect and admire your contribution and achievements in building up the Yugoslav Army, which we want to present at today's celebration to the state leadership and to our people.

During the two and a half years of its transformation, the Yugoslav Army showed itself to be a significant and in many aspects resolute factor in dissuading aggression and preserving the peace and stability of our country. The process of transformation has been going on under extremely complex military-political, material-financial, legal, and professional-social conditions. Besides, a high level of operational and functional readiness and (?utility) is necessary all the time, something that requires extreme efforts, including self-denial, from army members.

With your officers' honor, dignity, intellect, (?deed), and self-denial, you have demonstrated that you are up to the crucial role of our profession in defending our people's threatened national being and that, together with other members of the Yugoslav Army and the best sons of our people, you are ready and committed to ensuring the basic prerequisites for peace and security of the Federal Republic of Yugoslavia, so that all segments of our society will survive and recover from the consequences of war and international isolation.

[Pantovic] Finally, Gen. Perisic said that, complying with the confidence bestowed upon it, the Yugoslav Army will defend the honor and dignity of the army, our people, and our state. [end recording]

Official Reports Rise in GNP Despite Sanctions

LD2912222594 Belgrade TANJUG in English 2217 GMT 29 Dec 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Dec. 29 (TANJUG)—An official of the Yugoslav Statistical Office said Thursday that the national product was up 6.5 percent on 1993.

Statistical Office Director Milovan Zivkovic told a press conference in Belgrade that the rise, the first in five years, had been due to the monetary reconstruction and economic recovery program launched by Central Bank Governor Dragoslav Avramovic on Jan. 24. The program came after two and a half years of total economic blockade which had triggered a 313-million-percent monthly inflation and brought the Yugoslav economy to its knees.

Zivkovic said the GNP was projected to continue to rise in 1995, and was expected to go up 7 percent in real terms, and even more if the international anti-Yugoslav sanctions were eased or lifted. Zivkovic said that, according to World Bank figures, Yugoslavia was among 15 countries which had near-zero inflation in 1994, in a sample of 138 countries.

He said that some prices had risen, and others had fallen, which had slashed the monster year-on inflation of December 1993 practically down to zero. Zivkovic said industry and agriculture had contributed most to the growth of the national product.

Supreme Defense Council Announces Promotions

LD2912185094 Belgrade TANJUG Domestic Service in Serbo-Croatian 1733 GMT 29 Dec 94

[FBIS Translated Text] Belgrade, 29 Dec (TANJUG)—Appreciating the need for the recruitment of personnel and new blood into the leading cadres of the Yugoslav Army, the Supreme Defense Council has, within the framework of its constitutional authority, adopted a decision on the promotion of professional officers, the military office of the president of the Federal Republic of Yugoslavia announced today.

Major General Risto Matovic, assistant head of the general staff, is promoted to lieutenant colonel general.

The following colonels are promoted to major general: Ljubomir Andjelkovic, Konstantin Arsenijevic, Slavko Biga, Blagoje Grahovac, Ljubomir Draganjac, Mihajlo Zugic, Dr Jugoslav Kodzopeljic, Ninoslav Krstic, Spasoje Miljanic, Zivomir Smiljkovic, Zlatoje Terzic, and Radovan Tomanovic.

Navy Captains Vlade Novkovic, Milan Radovic, and Marko Sunaric are promoted to the rank of rear admiral.

The following major generals received early promotion to the rank of lieutenant colonel general: Dragoljub Ojdanic, commander of the 1st Army; Ratomir Milovanovic, assistant head of the general staff; Nedeljko Copic, assistant head of the general staff; and Boro Ivanovic.

Colonels Radovan Andjelkovic and Slavoljub Susic receive early promotion to the rank of major general.

Prior to their retirement from the military, Colonels Uros Grbic and Slave Stojanovski are promoted to the rank of major general.

Serbia

Protest: Support of BORBA, Against Power Cuts

AU2912201894 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 29 Dec 94

[FBIS Translated Text] A mere several hundred Belgrade citizens gathered in Nikola Pasic Square this evening to extend support to the Editorial Board of the so-called independent issue of BORBA and protest against power restrictions. This obviously unsuccessful meeting was organized by the Democratic Party. Participating in the meeting were members of the independent trade unions of the so-called independent media, Studio B, B-92, BORBA, and NIN.

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Representatives of the democratic youth were distributing candles and noisy newsboys were selling newspapers. Rock music could be heard from loudspeakers. It all resembled an unsuccessful attempt at entertaining the citizens, who were obviously not interested in this kind of gathering.

Montenegro

Local Industries Seek Larger Share of Military Production

AU3012091694 Podgorica POBJEDA in Serbo-Croatian 19 Dec 94 p 5

[Report by Popovic: "'Dakic's' Running Start"]

[FBIS Translated Excerpt] Podgorica, 18 December—Montenegro has decided to manufacture more for the army since neither the managers of the factories that manufacture exclusively for the army nor the large factories such as the Niksic Iron Works, the "Radoje Dakic" Holding of Podgorica, or others are happy with the present level of Montenegrin participation. The beginning steps are visible. For the first time a Montenegrin factory—the "Radoje Dakic" Holding—was entrusted with the overhaul of a tank, a T-55 in this case. The test the iron workers from Podgorica have to pass started three days ago. It will depend on the quality and speed whether this factory will be entrusted with the overhaul of four more tanks. "This factory is adapting its manufacturing programs to specific purpose manufacturing," Veljko Cogorovic, the manager of this holding, told us. Zoran Lilic said during his recent visit to Montenegro that the participation of "Radoje Dakic" in the manufacturing process of tanks should be larger now, because the tanks are manufactured by a Serbian company, than it used to be when the "Djuro Djakovic" factory from Slavonski Brod [Croatia] manufactured them.

Economy Is Ready

The Niksic Iron Works wants to work more for the army too. Mr. Vojin Djukanovic, the general manager, warned already a long time ago that the participation of the Montenegrin economy in the specific purpose manufacturing after the collapse of the former Yugoslavia should not be smaller than before the war. [passage omitted]

That Montenegro decided to work for the army was confirmed in mid-October 1994 when the Council for Military Economy at the Ministry of Industry and Power-Supply Industry of Montenegro was founded. The chairman of the council is Slobodan Boskovic, and its members come from 10 Montenegrin factories and from the Chamber of Commerce of Montenegro.

Warning by a General

Montenegrin factories have already mastered a large portion of the technology necessary for the military industry and are in the view of their managers capable of offering much more. It will be known soon whether the metal workers from Podgorica will be entrusted with the artillery program, which has already been given to "Crvena Zastava" of Kragujevac on the grounds that it is somewhat better qualified than "Dakic." The "Radoje Dakic" leadership has protested because they think that "Zastava" is favored. " 'Radoje Dakic' and its subcontractors have the complete equipment necessary for this task," Mr. Cogorovic, the manager, explained adding that "Dakic's" capacity for carrying out overhauls of military equipment is big.

It cannot be said how large the present Montenegrin participation in the specific purpose production is. General Bozidar Babic, the commander of the Yugoslav Army 2d Corps, said several days ago, when he visited "Radoje Dakic," that the Montenegrin participation has decreased on the one, but increased on the other side. He did not mention any percentages. [passage omitted]

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